



CABINET

This meeting will be recorded and the sound recording subsequently made available via the Council's website.

Please also note that under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, other people may film, record, tweet or blog from this meeting. The use of any images or sound recordings is not under the Council's control.

To: Councillors Barkley (Deputy Leader), Bokor, Harper-Davies, Mercer, Morgan (Leader), Poland, Rollings, Smidowicz, Taylor and Vardy (for attention)

All other members of the Council
(for information)

You are requested to attend the meeting of the Cabinet to be held in The Preston Room, Woodgate Chambers, Woodgate, Loughborough on Thursday, 17th January 2019 at 6.00 pm for the following business.

Chief Executive

Southfields
Loughborough

4th January 2019

AGENDA

1. APOLOGIES
2. DISCLOSURES OF PECUNIARY AND PERSONAL INTERESTS
3. LEADER'S ANNOUNCEMENTS
4. MINUTES OF PREVIOUS MEETING

4 - 12

To approve the minutes of the previous meeting (including exempt minute 68E)

circulated previously to members).

5. QUESTIONS UNDER CABINET PROCEDURE 10.7

The deadline for questions is noon on Wednesday, 9th January 2019.

6. CAPITAL PROGRAMME UNDERSPEND - RECOMMENDATION OF THE AUDIT COMMITTEE 13 - 24

A report of the Head of Strategic Support to consider a recommendation of the Audit Committee at its meeting on 27th November 2018 in respect of underspend on the Capital Programme, alongside an officer recommendation and advice in that respect.

7. OPEN SPACES, PLAYING PITCH AND INDOOR BUILT FACILITIES STRATEGIES

A report of the Head of Cleansing and Open Spaces to consider the Open Spaces, Playing Pitch and Indoor Built Facilities Strategies, including associated recommendations and action plans.

Please note that, due to its length, the report for this item has been published as a separate agenda supplement.

Key Decision

8. DISCRETIONARY HOUSES IN MULTIPLE OCCUPATION LICENSING SCHEME 25 - 43

A report of the Head of Strategic and Private Sector Housing providing an update on decisions made by Cabinet in November 2015 to consider the introduction of a Discretionary Houses in Multiple Occupation (HMO) Licensing Scheme and the progress to implement a Loughborough Accreditation Standard in partnership with the Students Union.

Key Decision

9. TENANCY STRATEGY 2019-2024 44 - 69

A report of the Head of Strategic and Private Sector Housing to consider a proposed Tenancy Strategy 2019-2024 setting out the issues which Registered Providers with housing stock in Charnwood must have regard to in developing their Tenancy Policies.

Key Decision

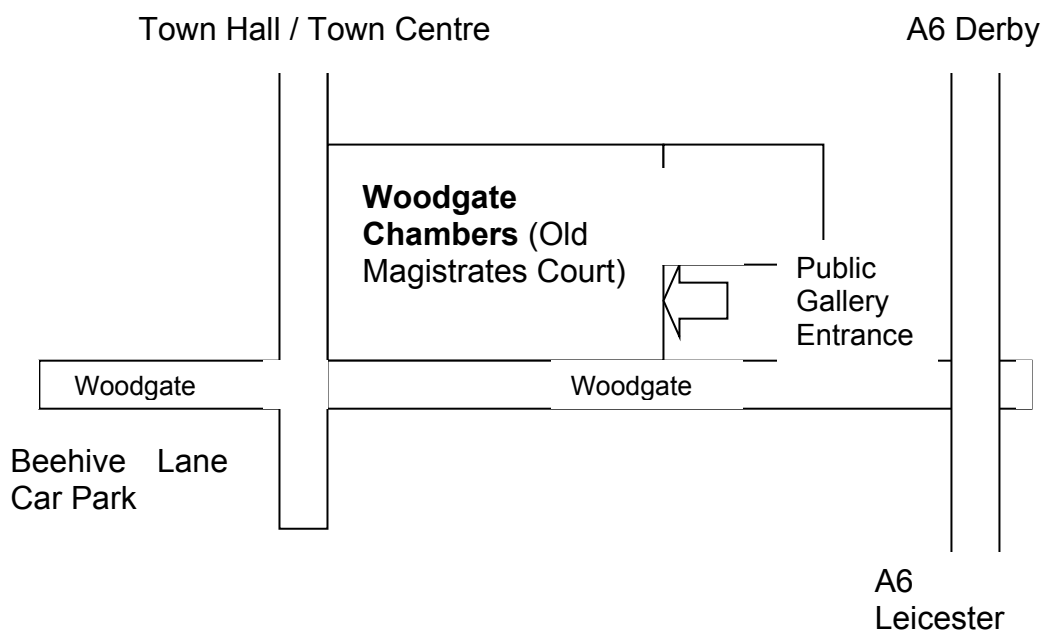
10. PROCUREMENT STRATEGY 2018/19 TO 2024/25 70 - 96

A report of the Head of Finance and Property Services to consider a Procurement Strategy for the period 2018/19 to 2024/25.

A report of the Head of Strategic and Private Sector Housing to consider the development of a Collective Switching Scheme in Charnwood to assist residents in the Borough to switch energy suppliers to achieve lower fuel tariffs.

WHERE TO FIND WOODGATE CHAMBERS AND PUBLIC ACCESS

Woodgate Chambers
70 Woodgate
Loughborough
Leics
LE11 2TZ



CABINET 13TH DECEMBER 2018

PRESENT: The Leader (Councillor Morgan)
The Deputy Leader (Councillor Barkley)
Councillors Bokor, Harper-Davies, Mercer,
Poland, Rollings, Smidowicz, Taylor and Vardy

Councillor Ranson

Chief Executive
Strategic Director of Corporate Services
Head of Strategic Support
Strategic Director of Housing, Planning &
Regeneration and Regulatory Services
Head of Finance and Property Services
Head of Neighbourhood Services
Head of Landlord Services
Procurement Manager
Strategic Growth Manager
Democratic Services Officer (LS)

The Leader stated that this meeting would be recorded and the sound recording subsequently made available via the Council's website. He also advised that, under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, other people may film, record, tweet or blog from this meeting, and the use of any such images or sound recordings was not under the Council's control.

55. DISCLOSURES OF PECUNIARY AND PERSONAL INTERESTS

The following disclosure was made later in the meeting, but is recorded here:

Councillor Rollings – an interest in item 6 on the agenda (Charnwood Grants). Councillor Rollings stated that a close relative had previously used support provided through Coping with Cancer in Leicestershire and Rutland. It was recommended that a grant be awarded to that organisation, therefore Councillor Rollings would leave the meeting during the consideration of the item.

56. LEADER'S ANNOUNCEMENTS

No formal announcements had been published prior to the meeting, but the Leader wished to welcome the Government approval that day of the Leicestershire-wide bid to take part in a Business Rates retention pilot scheme and the benefits that would bring to businesses and jobs across the County.

57. MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 15th November 2018 were confirmed as a correct record and signed.

58. QUESTIONS UNDER CABINET PROCEDURE 10.7

No questions had been submitted.

59. CHARNWOOD GRANTS - ROUND THREE 2018/19 - COMMUNITY FACILITIES AND COMMUNITY DEVELOPMENT AND ENGAGEMENT GRANT APPLICATIONS

Having declared an interest, Councillor Rollings left the meeting during the consideration of this item.

Considered a report of the Head of Neighbourhood Services to consider applications received for funding in round three of the Community Facilities and Community Development and Engagement Grants schemes for 2018/19 (item 6 on the agenda filed with these minutes).

Councillor Ranson, Vice-chair of the Overview Scrutiny Group, presented a report detailing the Group's pre-decision scrutiny of the matter and recommendation (copy filed with these minutes).

The Head of Neighbourhood Services assisted with consideration of the report.

The Cabinet wished to thank officers for the valuable work they undertook in respect of this matter, in particular the support and assistance provided to local groups.

RESOLVED

1. that the following Community Development and Engagement Grants be awarded:
 - £5,066 to Without Walls Christian Fellowship towards a singing café;
 - £6,400 to The Loughborough Leggo Group towards volunteer, website and social media development;
 - £3,200 to Coping with Cancer in Leicestershire and Rutland towards a Time-out group in Wanlip;
 - £10,000 to Go-Getta CIC towards their overall youth diversion provision across Charnwood;
 - £10,000 to The Exaireo Trust towards a Community Addiction Support project (£7,500 to be funded through the Community Development and Engagement Grant scheme, and £2,500 to be funded through the Loughborough Community Grants scheme);
 - £5,000 to Transition Loughborough towards a 'Fantastic Home' project (to be funded through the Community Development and Engagement Environmental Grants scheme);
 - £300 to Carillon Arts towards the 'Feel Hear Be' project (to be funded through the Loughborough Community Grants scheme);
 - £6,600 to Passion Youth Centre towards running costs, new weekly cooking sessions and a small kitchen upgrade;

2. that the following Community Development and Engagement Grant application be declined:
 - Miller and Peverill Residents' Association Sileby - £2,000 requested – applied for funding towards general running costs;
3. that the Head of Neighbourhood Services be given delegated authority to finalise the terms and conditions of the awarded Community Development and Engagement Grants;
4. that approval be given to run a Round 4 in 2018/19 with a focus on Environmental projects only;
5. that the report of the Overview Scrutiny Group be noted.

Reasons

1. To provide financial support to organisations which meet the criteria of the Community Development and Engagement Grants and Environmental schemes in terms of community and organisational need and to use funding provided through the Loughborough Grants scheme to support projects in Loughborough.
2. To decline to provide financial support to organisations which do not meet the criteria for the award of a grant under the Community Development and Engagement Grants scheme.
3. To enable the grants awarded to be finalised and appropriate information to be supplied to the Council about the outcomes of the project.
4. To enable the monies received for grants for projects that deliver environmental outcomes to be disbursed.
5. To acknowledge the work undertaken by and the views of the Overview Scrutiny Group.

Councillor Rollings returned to the meeting.

60. HOUSING DEVELOPMENT COMPANY

Considered a report of the Strategic Director of Housing, Planning and Regeneration, and Regulatory Services to consider setting up a County wide development company and/or a Council owned Housing Development Company to deliver new homes and regeneration projects in the Borough (item 7 on the agenda filed with these minutes).

The Strategic Director of Housing, Planning and Regeneration, and Regulatory Services and the Strategic Growth Manager assisted with consideration of the report.

RESOLVED

1. that, having considered the outline business case attached to the report, Charnwood does not participate in the wider Leicestershire development company proposal;
2. that delegated authority be given to the Strategic Director for Housing, Planning and Regeneration, and Regulatory Services, in consultation with the Cabinet Lead Member for Planning, Inward Investment and Tourism Strategy, to investigate the establishment of a Charnwood Housing Development Company;
3. that the Strategic Director for Housing, Planning and Regeneration, and Regulatory Services develops a business case for a Charnwood Housing Development Company to be considered at a future meeting of Cabinet;
4. that a budget up to £20,000 be identified from the Reinvestment Reserve to fund professional advice and associated legal and administrative costs in developing the business case for the establishment of a Charnwood Housing Development Company.

Reasons

1. The business case for the proposed Leicestershire Collaborative Development Company does not support the Council's participation in this proposal.
2. To investigate whether a Housing Development Company, wholly owned by Charnwood Borough Council, is an appropriate development vehicle for the Council to deliver new homes and physical regeneration projects in the Borough.
3. To allow Cabinet to be appraised of the findings of the business case.
4. To ensure the development of the business case is adequately funded.

61. PURCHASING OF ELECTRICITY THROUGH A FRAMEWORK CONTRACT

Considered a report of the Strategic Director of Corporate Services to consider accessing Eastern Shires Purchasing Organisation (ESPO) framework contract for the supply of electricity for the financial years 2020 to 2024 (item 8 on the agenda filed with these minutes).

The Procurement Manager assisted with consideration of the report.

RESOLVED that permission be granted to use the Eastern Shires Purchasing Organisation (ESPO) Framework contract to procure and award a contract for the supply of Electricity via ESPO Framework Contract 191_20.

Reason

To allow contracts of the Council to be let in accordance with the contract procedure rules and to benefit from economies of scale provided by using ESPO members' combined budgets and buying power.

62. AMENDMENTS TO THE ANNUAL PROCUREMENT PLAN

Considered a report of the Head of Finance and Property Services to consider additions to the Annual Procurement Plan 2018/19 (item 9 on the agenda filed with these minutes).

The Procurement Manager assisted with consideration of the report.

RESOLVED

1. that the contracts over £25,000 and up to £75,000, listed in Appendix A to the report of the Head of Finance and Property Services, be let in accordance with Contract Procedure Rules;
2. that the contracts over £75,001 and up to £500,000, listed in Appendix B to the report of the Head of Finance and Property Services be let in accordance with Contract Procedure Rules.

Reason

- 1.& 2. To allow contracts of the Council to be let in accordance with Contract Procedure Rules.

63. DRAFT GENERAL FUND AND HRA 2019-20 BUDGETS

Considered a report of the Head of Finance and Property Services to advise of the projected base budget position for 2019/20 on the basis of the estimated grant settlement for 2019/20, also to review the savings and growth proposals put forward for the year 2019/20, and to begin a period of consultation (item 10 on the agenda filed with these minutes).

The Head of Finance and Property Services assisted with consideration of the report, providing also a verbal summary of key points following the announcement that day of the Local Government finance settlement.

RESOLVED

1. that the General Fund and HRA Revenue Budgets for 2019/20, as set out in Tables 1 and 4 in the report of the Head of Finance and Property Services, be endorsed for consultation;
2. that the Loughborough Special Expense Budget and Levy for 2019/20, as set out in Appendix 2 to the report of the Head of Finance and Property Services, be endorsed for consultation.

Reason

- 1.& 2. To provide the opportunity for consultation on the 2019/20 budgets as well as potential pressures and savings.

64. CAPITAL PLAN AMENDMENT REPORT

Considered a report of the Head of Finance and Property Services to consider proposed changes to the 2018/19-2020/21 Capital Plan and its financing (item 11 on the agenda filed with these minutes).

Councillors Morgan and Poland referred to being members of the Outwoods Management Committee. Advice was given that it was not necessary to declare interests as they had been appointed to the Committee by the Council.

The Head of Finance and Property Services assisted with consideration of the report.

RESOLVED

1. that, the current Capital Plan for 2018/19 - 2020/21, as amended by the changes shown in Appendix 1 to the report of the Head of Finance and Property Services, in the sum of £31,450,800 be approved;
2. that **it be recommended to Council** that the Acquisition of Affordable Housing to meet Housing Need HRA scheme be increased by the sum of £477k, be added to the Capital Plan in 2020/21 and that it proceeds;
3. that **it be recommended to Council** that the Loughborough University Science and Enterprise Park budget of £350k slippage from 2018/19 to 2019/20 be approved;
4. that the slippages on the following budgets from 2018/19 to 2019/20 be approved: Leicestershire Superfast Broadband Phase 3, £100,000; Carbon Management Schemes, £57,000; and Public Realm Shepshed Town Centre, £12,200;
5. that £40k budget for Hardware Replacement being brought forward from 2019/20 to 2018/19 be approved;
6. that the Loughborough Markets – Replacement of Tug and Trailer scheme to the sum of £21,500 be added to the Capital Plan in 2018/19;
7. that the Carillon Tower Restoration Project scheme which is currently in the Capital Plan 2018/19 for £282k be increased by £7,500 to allow for works on refurbishing the bronze metal plaques and the new enhanced lighting scheme;
8. that the Messenger Close, Loughborough scheme be increased by £12,100;
9. that the Green Spaces Programme be reduced by £25k;
10. that a new scheme for the Outwoods, £140k fully funded by a grant is added to the Capital Plan in 2018/19.

Reasons

1. To enable the Capital Plan to be the basis for capital spending by the Council and so that schemes may proceed.
2. To confirm that the Acquisition of Affordable Housing to meet Housing Need HRA scheme, should be increased to the sum of £477k, and that the cost be funded 30% from retained 141 capital receipts and 70% from HRA reserves.
3. To enable the scheme budget to be available in 2020/21.
4. To enable the scheme budgets to be available in 2020/21.
5. To enable work to proceed in 2018/19.
6. To enable Loughborough Markets to operate.
7. To confirm that the Carillon Tower Restoration Project scheme be increased and funded by an external contribution.
8. To confirm that the Messenger Close, Loughborough scheme be increased funding by income from tenants.
9. To ensure that the Council's costs will not increase as this part of the scheme was to be external funded. The funding will not be received.
10. To enable works to proceed in 2018/19.

65. WRITE OFF REPORT FOR BUSINESS RATE PROPERTIES

Considered a report of the Head of Customer Experience to consider the write off irrecoverable debts in line with Financial Procedure Rules (item 12 on the agenda filed with these minutes).

Councillor Ranson, Vice-chair of the Overview Scrutiny Group, presented a report detailing the Group's pre-decision scrutiny of the matter and recommendation (copy filed with these minutes).

The Leader wished to thank the Overview Scrutiny Group for its useful scrutiny of matters to be decided at this meeting.

The Strategic Director of Corporate Services assisted with consideration of the report.

RESOLVED

1. that the following debts be written off:
 - £21,932.31 owed by KM Shepshed Ltd;
 - £24,609.61 owed by Surrey Pubs and Inns Ltd;
 - £51,907.95 owed by Earl Pubs Ltd;
2. that the report of the Overview Scrutiny Group be noted.

Reasons

1. The normal enforcement/recovery and tracing of these debts has been exhausted and Write Off is now the only alternative.
2. To acknowledge the work undertaken by and the views of the Overview Scrutiny Group.

66. RISK MANAGEMENT FRAMEWORK AND STRATEGIC RISK REGISTER

Considered a report of the Head of Strategic Support to consider a refreshed Risk Management Strategy and Framework and draft Strategic Risk Register, following the recent review of the Council's risk management arrangements (item 13 on the agenda filed with these minutes).

The Head of Strategic Support assisted with consideration of the report.

RESOLVED

1. that the proposed Risk Management Strategy and Framework set out in Appendices 1 and 2 to the report of the Head of Strategic Support be approved;
2. that the draft Strategic Risk Register set out in Appendix 3 to the report of the Head of Strategic Support be adopted and that the Audit Committee monitor progress against those risks on the Register by receiving quarterly monitoring reports;
3. that authority be delegated to the Head of Strategic Support to make amendments to the Risk Register where required, in consultation with the relevant risk owner and Cabinet Lead Member.

Reasons

1. To ensure that risk management principles and processes are formally documented and that a consistent approach is embedded throughout the Council.
2. To ensure that the most significant risks to the Council achieving its objectives are identified and actively managed.
3. To ensure that the Strategic Risk Register is kept up to date and relevant.

67. EXEMPT INFORMATION

RESOLVED that members of the public be excluded from the meeting during the consideration of the following item on the grounds that it will involve the likely disclosure of exempt information as defined in Paragraphs 3 and 5 of Part 1 of Schedule 12A to the Local Government Act 1972 and it is considered that the public

interest in maintaining the exemption outweighs the public interest in disclosing the information.

68. DECENT HOMES CONTRACT SETTLEMENT

Considered an exempt report of the Strategic Director of Housing, Planning and Regeneration, and Regulatory Services to consider agreeing the finalisation of the former Decent Homes Contract that ended on 31st March 2018 (item 15 on the agenda filed with these minutes).

The Strategic Director of Housing, Planning and Regeneration, and Regulatory Services and the Head of Landlord Services assisted with consideration of the report.

RESOLVED

1. that a decision be made as detailed in the exempt minute (Cabinet Minute 68E 2018/19);
2. that it be noted that, as the Chair of the Scrutiny Management Board agrees that this decision is both urgent and reasonable and delay caused by the Call-in process would not be in the interests of the Council or the public, the Call-in procedure is suspended in respect of this decision in accordance with Scrutiny Committee Procedure 11.9 of the Council's Constitution.

Reasons

- 1.&2. As set out in the exempt minute (Cabinet Minute 68E 2018/19).

NOTES:

1. The decisions in these minutes not in the form of recommendations to Council will come into effect at noon on 21st December 2018 unless called in under Scrutiny Committee Procedure Rule 11.7.
2. No reference may be made to these minutes at the Council meeting on 21st January 2019 unless notice to that effect is given to the Democratic Services Manager by five members of the Council by noon on 21st December 2018.
3. These minutes are subject to confirmation as a correct record at the next meeting of the Cabinet.

CABINET – 17TH JANUARY 2019

Report of the Head of Strategic Support

ITEM 6 CAPITAL PROGRAMME UNDERPEND – RECOMMENDATIONS OF AUDIT COMMITTEE

Purpose of Report

To consider the recommendation of the Audit Committee relating to the spend level of the capital programme (which arose during the Committee's consideration of the Treasury Management Strategy and the Annual Investment Strategy for the first 6 months of 2018/19, see Audit Committee Minute 35, 2018/19), alongside an officer recommendation and advice in response, with a view to the Cabinet deciding if it wishes to agree the action it wishes to take.

Recommendations and Reasons

Set out below is a recommendation and reason of the Committee, followed by the officer recommendation and advice.

Committee Recommendation

That the Cabinet respond to the concerns of the Committee over the level of Capital Programme underspend and provide assurances that the programme would be significantly delivered before the end of the financial year.

Reason

The Committee had concerns about the level of capital programme expenditure against the budget expected at year end and wished to refer the matter to the Cabinet and re-visit the matter at the Audit Committee meeting scheduled for 26th February 2019.

Officer Recommendation

In light of capital expenditure to date, the Head of Finance and Property Services recommends that the Capital Plan continues to be amended to reflect revised expenditure on a quarterly basis.

Reason

To reflect the likely outcome for the Capital Plan.

Response of the Head of Finance and Property Services to concerns raised by the Audit Committee

There is an update below of the activity since the Audit Committee on 27th November 2018 which gives the latest position on the Capital Plan budgets and expenditure.

Review of the General Fund Capital Plan

Since the Capital Plan spend to date figures were presented in the Treasury Management Mid-year Review report to the Audit Committee in November, Cabinet has approved a net reduction to the General Fund capital plan of £323k from £5,213k to £4,890k on 13 December 2018. A breakdown of this net reduction is given below.

	Full year budget £'000
Position as at the end of Period 7 (end of October)	5,213
Capital Plan amendments as reported to Cabinet 13.12.18	
Budget carry forwards:	
Loughborough University Science & Enterprise Park	(350)
Leicestershire Superfast Broadband	(100)
Carbon Management Scheme	(57)
Public Realm Shepshed town centre	(12)
Budget brought forward from 2019/20:	
Replacement Hardware Programme - Block Sum	40
Additional funding/New scheme	
Carillon Tower Restoration Project (covered by increase in external funding)	7
Messenger Close (covered by income from tenants)	12
Loughborough Market - new tug	22
The Outwoods (covered by increase in external funding)	140
Reduction in budget	
Green Spaces Programme (reduced level of external funding being received)	(25)
Position as at the end of Period 8 (end of November)	4,890

The ongoing review and amendment of the Capital plan are processes embedded in the Council's procedures. The impact of the latest set of amendments is to revise the total planned capital expenditure downwards by a net £323k, principally due to the ongoing carry forward of prospective investment in Loughborough University Science & Enterprise Park (for which no concrete plans exist) and the carry forward of the next tranche of funding for Leicestershire Superfast Broadband, which is not a project that is managed by the Council.

The revised budget for 2018/19 at the end of Period 8 (November) was therefore £4,890k, of which £2,013k was profiled to have been spent at this time. The actual spend to the end of period 8 was £1,715k. Thus 85% of the profiled budget had been spent at this time compared to only 53% at the end of period 7. A summary of the General Fund spend as at the end of Period 7 and Period 8 are shown below.

Capital Programme - updated position as at Period 8 (end of November)					
	Actual spend £'000	Profiled budget £'000	Spend as a % of profiled budget	Full year budget £'000	Spend as a % of full-year budget
General Fund					
Position as at the end of Period 7 (end of October)	940	1,787	53%	5,213	18%
Position as at the end of Period 8 (end of November)	1,715	2,013	85%	4,890	35%

The capital plan can be broken down into two distinct elements i.e. the directly delivered schemes and indirectly delivered schemes. It is important to understand that there is a difference between the two. Directly delivered schemes are the ones that the council has control over and the council is responsible for carrying out all aspects of the scheme from the design, through to the appointment of contractors and completion. Examples include capital spend on council car parks or the Town Hall. Indirectly delivered schemes are the schemes that the council is either funding or 'passporting' funding from third parties to individuals and organisations. These schemes will include the Disabled Facilities Grants and all the s106 funded schemes.

The split of the General Fund capital plan into the two elements is shown in the table below.

Capital Programme - updated position as at Period 8 (end of November)					
	Actual spend £'000	Profiled budget £'000	% of profiled budget	Full year budget £'000	Spend as a % of full-
General fund					
Directly delivered schemes	1,267	1,213	104%	2,790	45%
Indirectly delivered schemes	448	801	56%	2,104	21%
Total - General Fund	1,715	2,013	85%	4,894	35%

As illustrated by the table above, expenditure on the directly delivered schemes is broadly on track in respect of the budget profile. Some risk exists with the delivery of the various schemes by the end of the financial year as profiling shows that over half of the expenditure is due to occur in the last third of the year (although much of this is already committed). There are other schemes within the capital plan where budgets are fully committed and will be spent by the year-end e.g. Information Technology related schemes. No one scheme is especially significant in the context of the total budget but certain schemes around the delivery of open spaces projects appear to carry a risk that not all will be complete by the end of the financial year.

As the figures in the table show, it is the indirectly delivered schemes, which the council cannot directly influence and control, where there is the highest level of underspend. A significant variance is around the Disabled Facilities Grants which at present is showing a spend of £379k to the end of period 8 against a total budget for the year of £1,029k (representing expenditure of 37% of the budget to this date). Of the full year budget 96% is committed (i.e. applications have been approved and each application has a budget set aside for it) but the council has no control beyond committing the budget and clearly some risk of underspending exists.

Appendix A gives details of all the schemes and budget managers have forecast their expected year-end position and commented on their schemes.

Review of the HRA Capital Plan

The HRA capital plan for 2018/19 is £7,566k, and 30% of this had been spent by the end of period 8. The actual expenditure at the end of period 8 was £2,281k and the profiled budget to the end of period 8 was £1,512k, thus 151% spent. The table below summarises the position and movement since the end of Period 7.

Capital Programme - updated position as at Period 8 (end of November)					
HRA	Actual spend £'000	Profiled budget £'000	Spend as a % of profiled budget	Full year budget £'000	Spend as a % of full-year budget
Position as at the end of Period 7 (end of October)	681	1,123	61%	7,566	9%
Position as at the end of Period 8 (end of November)	2,281	1,512	151%	7,566	30%

All HRA services are directly delivered services. The total budget for these is £7,566k.

The total HRA budget can be split into two elements i.e. property acquisitions and improvements and enhancements to HRA assets. This is shown in the table below.

Capital Programme - updated position as at Period 8 (end of November)					
HRA	Actual spend £'000	Profiled budget £'000	Spend as a % of profiled budget	Full year budget £'000	Spend as a % of full-year budget
Property Acquisitions	1,170	514	228%	1,953	60%
Improvements & Enhancements to HRA Assets	1,111	998	111%	5,613	20%
Total - HRA	2,281	1,512	151%	7,566	30%

The budget for property acquisitions has been 60% spent which is above the target for spend as at Period 8. It is anticipated that the full year budget will be spent by the end of the year if appropriate and suitable properties become available for sale and the council is able to purchase them. Any underspend for this budget for the year will be carried forward into 2019/20.

The rest of the HRA budget of £5,613k is for improvements and enhancements to HRA assets, primarily the housing stock. The spend at the end of period 8 was £1,111k which is 20% of the full year budget and there appears to be a significant risk that this element of the capital plan will not be completed within the financial year.

In respect of the above, the Head of Landlord Services has commented that "Mobilisation of the new capital contract with Fortem has been slower than expected, and there have been issues with Fortem's performance. A remedial plan and draft revised forecast have been provided by Fortem and are under review. It is expected that there will be an underspend across some Fortem capital budget lines based on performance to date. That said, a significant volume of work has been largely completed (Fortem estimate £1.7m to the end of December 2018) although not all of the amounts claimed have been agreed by the Council due to (for example) the required certification not being provided."

Forecast of Year-end Position for the Capital Programme

As noted above, Appendix A lists all the schemes that make up the capital plan. It shows the actual spend as at the end of November, the full year budget and the variance between these. It also gives a forecast of spend for the year and a comment about the scheme, both of which have been provided by the budget holder. The forecast spend for the full year is £10,461k which when compared to the full year budget of £12,661k shows that overall budget managers expect 84% of the budget to be spent. The capital budget will continue to be monitored. This forecast assumes full year spend of indirectly delivered schemes such as s106 schemes which can have the budget carried forward and the grants will be grant funded at the actual level of spend. As the indirectly delivered schemes are funded by external sources they do not impact on the council's availability of resources to fund capital schemes.

Policy Justification and Previous Decisions

Chapter 5, section 5.5 (b) of the Constitution states that the Audit Committee can refer matters of concern to the Council, Cabinet, or appropriate committee. The Chair or Vice Chair of the Committee may address the Cabinet or a committee and the Vice-chair of the Committee may address the Council before the report is considered.

Implementation Timetable including Future Decisions and Scrutiny

Monitoring of the capital programme is ongoing.

Report Implications

The following implications have been identified for this report.

Financial Implications

There are no direct financial implications.

Risk Management

There are no specific risks associated with the recommendations of the Audit Committee.

Key Decision:	No
Background Papers:	Audit Committee Minute 35, 27th November 2018
Officer to contact:	Karen Widdowson Democratic Services Manager (01509) 634785 karen.widdowson@charnwood.gov.uk

APPENDIX A

General Fund Directly Delivered Schemes

Cost Centre	Cost Centre(T)	Profiled		Variance	Current Budget	Variance	Full Year Forecast	Budget Holder Comments
		Actual as at Period 8	Budget as at Period 8					
Z744	Beehive Lane Car Park Improver	10,524	50,000	39,476	50,000	39,476	30,530	Planning permission obtained in October 2018. Detailed specification produced and invitation to Tender was issued in December 2018. Work scheduled to commence in March 2019 and finish April/May 2019. Carry forward of budget will be required. Potential Overspend predicted, due to extra costs for specialist architectural engineers.
Z781	Beehive Lane Car Park fire & saf	-	5,000	5,000	125,000	125,000	125,000	Invitation to Tender through Efficiency East Midlands Framework issued in December 2019. If successful work scheduled to commence in February/ March 2019. Potential carry forward to 2019/20 if deals in work.
Z738	Carbon Management	32,503	32,500	(3)	32,800	297	32,500	Completed
Z468	Planning & Regeneration essent	-	-	-	1,100	1,100	-	
Z424	Choice Based Lettings Software	16,063	-	(16,063)	35,000	18,938	35,000	This is the balance remaining from the P&R Backoffice upgrade. The budget can be given up. To date we have paid the 50% upfront costs. We have a number of issues with the implementation of the software and are working through this with the supplier and will not be making any more payments until this has been resolved. The money is therefore committed and will be paid once the system is fully operational.
D50	Housing, Planning, Regeneratic	59,089	87,500	28,411	243,900	184,811	223,030	
Z421	Carillon Tower Restoration Proje	258,840	282,000	23,160	289,500	30,660	289,500	This has been spent, but there are invoices to be paid.
Z494	Public Art Provision - Loughborc	-	-	-	75,100	75,100	75,100	
Z503	Charnwood Sites Access and Sei	8,600	50,000	41,400	50,000	41,400	50,000	This budget is for Shepshed. There has been an extension to the timetable. The design work has all been done and the project start date is imminent so it could potentially be completed by the year end, if not it will be shortly after the beginning of the new year. The 2 priority schemes at Bradgate Road and Maxwell Drive have now been completed, and invoices are awaited.
Z697	Bell Foundry Pocket Park	62,528	62,000	(528)	62,200	(328)	62,500	Completed
Z739	Green Spaces Programme		30,000	30,000				This is a budget for 7 schemes totalling £512k. £180k had been spent to date. Some of the schemes have been delayed due to issues with access which have had to be resolved with the county council. The Southfields Park skate park has just got planning permission and work on this should be starting shortly and the budget should be spent by the year end. The cemetery extension scheme has required a revision as the land that was intended for burials is not suitable and it is now intended to use this (once purchased) to use as an Ashes Garden. Another parcel of land has been identified for burials. Works for all schemes will be contained within the existing budget either by managing it overall or modifying schemes to match the budget. Whilst it is anticipated that the budgets will spent by the year end, if there are any unspent budgets, these will need to be carried forward at the year end to enable the schemes to be finished in the new year.
	Kirkstone Drive Play Area	2,538	-	(2,538)	4,800	2,262	511,800	
	Great Central Park	-	-	-	20,000	20,000		
	Southfields Park	63,222	-	(63,222)	224,000	160,778		
	Park Road	112,880	-	(112,880)	108,000	(4,880)		
	Sidings Park	1,240	-	(1,240)	75,000	73,760		
	Jubilee Park	-	-	-	20,000	20,000		
	Cemetery Extension	-	-	-	60,000	60,000		
Z748	Loughborough Festive Lights an	103,000	103,000	-	130,000	27,000	103,000	It is estimated that £103k has been spent to date, but the invoice has not been paid as there is some remedial work that need to be carried out before releasing the payment.
Z749	Loughborough Market Improve	7,426	35,000	27,574	60,000	52,574	40,000	£33,000 has been spent to date on this scheme. The coding of this is being investigated

Z751	Lough Playgrounds - Replaceme	-	-	-	60,000	60,000	60,000	A contractor has been appointed and the works are to be completed by the end of the financial year
Z755	Shortcliffe Park Access Bridges	34,750	50,000	15,250	50,000	15,250	50,000	Existing vehicular access bridge has been made safe and bollards erected to restrict use to pedestrians only. New pedestrian bridge has been installed from Sharpley Road. In liaison With LCC over requirements for improving/securing permanant access to site from Old Ashby Road.
Z757	Town Hall Roof Upgrade	4,854	50,000	45,146	50,000	45,146	50,000	If this scheme goes ahead as it is then the work is scheduled to be done and completed by the end of the financial year. However there is a proposal to combine the scheme with installing solar panels on hte roff at the same time as this will cut costs (e.g. not erecting scaffolding twice). Ifit is decided that a combined scheme would be vlue for money then the scheme may be delayed and there may be a requirement to carry forward the budget.
Z758	Town Hall Seating Replacement	84,845	80,000	(4,845)	84,800	(45)	84,850	Completed
Z388	CCTV	-	20,000	20,000	48,400	48,400	48,400	This is a budget to replace cameras that are at the end of their life. Some cameras were due to be replaced but this has been put on hold, following a recent incident where there was a loss of power, which has identified that there may be some critical work required on the electrics. Quotes have been received for both replacement cameras and some upgrade works to the control room to address work associated with the electrics. An order will be placed in January. If it is not all spent in year then it will be carried forward into 2019/20.
Z389	Loughborough - Town Centre si	-	-	-	5,000	5,000	5,000	This work is timed to fit in with the market review project
Z392	Public Realm and Art Improvem	3,200	-	(3,200)	9,600	6,400	9,600	This work is timed to fit in with the market review project
Z393	Grants for Shop Front Improven	500	-	(500)	1,600	1,100	1,600	This should probably be a revenue scheme
Z394	Provision of Neighbourhood No	4,155	-	(4,155)	6,100	1,945	6,100	This work is timed to fit in with the market review project
Z413	Town Hall - Tills	-	-	-	1,200	1,200	1,200	Please amend to revenue a scheme
Z478	Shortcliffe Community Park	2,380	-	(2,380)	17,700	15,320	2,400	De minimis, no comment required.
Z484	Closed Churchyard Walls	253	-	(253)	16,400	16,147	16,400	A number of orders have been placed for work to be completed. This has been delayed slightly but it is expected that the budget will be spent, by the year-end, but if not it will need to be carried forward into the new financial year.
Z746	Charnwood Museum Public Toil	-	-	-	16,000	16,000	16,000	This work is scheduled to be done and completed in January 2019.
Z747	Dishley Pool Access Works	12,432	-	(12,432)	32,600	20,168	32,600	The original scheme has been completed well under budget due to a company doing a lot of the work as part of their CSR. There is a possibility to extend the scope of the scheme using the remaining funds. The budget will be spent but may need to be carried forward into the new financial year.
Z750	Lough Old Cemetery Green Flag	-	-	-	40,000	40,000	-	Scheme being developed to improve access and signage within the site. The project is forcast for spend in 2020/21
Z752	Mountsorrel Castle Park Green	-	-	-	40,000	40,000	40,000	This scheme is being done with the parishes
Z753	The Outwoods Country Park - Se	-	-	-	45,000	45,000	45,000	The Outwoods schemes span two financial years. This is the proportion of the expenditure that is expected to be spent in this financial year.
Z754	The Outwoods Country Park - Vi	-	-	-	35,000	35,000	35,000	
Z782	Outwoods Country Park	-	-	-	140,000	140,000	140,000	
Z756	Town Hall Public Wifi Installatio	-	-	-	15,000	15,000	15,000	De minimis, no comment required.
Z426	Lough Market - replacement of	-	-	-	21,500	21,500	21,500	This is a new addition to the capital plan. The tug and trailer should be purchased before the year end as they are deemed to be essential to service delivery.
D55	Neighbourhoods & Community	767,643	762,000	-5,643	1,914,500	1,146,857	1,757,550	
Z085	Hardware Replacement Prograr	150,364	98,000	(52,364)	187,300	36,936	187,300	As more relacement equipment is purchased between now and year end it is expected that the full budget will be required to cover these purchases

Accrual

Z493	Fearon Hall	37,361	31,000	(6,361)	75,800	38,439	62,360	
Z759	Woodgate Chambers - high leve	-	50,000	50,000	50,000	50,000	50,000	There is a programme of improvement works which is ongoing. Spend for the year is forecast to be c. £62k. The remaining budget will need to be carried forward into 2019/20.
Z777	Messenger Close, Lough – Optic	205,959	184,000	(21,959)	196,300	(9,659)	206,000	Contractors are currently on site and it is expected that the work will be completed before the year end.
Z354	Infrastructure Development	15,831	-	(15,831)	30,000	14,169	30,000	This overspend will be met by contributions from tenants who requested the additional work on site.
Z415	Southfields Offices Roofing	12,590	-	(12,590)	15,400	2,810	15,400	The outstanding balance will be utilised before the end of the year
Z423	Call Secure System - PCI Compli:	-	-	-	35,900	35,900	35,900	De minimis, no comment required.
Z425	Corporate Booking System	-	-	-	6,900	6,900	6,900	The procurement for this is currently underway with the order expected to be placed during Feb 2019.
Z466	DWP Co-Location	-	-	-	-	-	-	There is currently some additional work taking place to the system after which, the remaining balance will be paid to the software provider
Z485	Online Customer Experience Pr	4,862	-	(4,862)	-	(4,862)	4,900	De minimis, no comment required.
Z740	Emergency Backup Generator &	1,663	-	(1,663)	2,000	337	1,700	De minimis, no comment required.
Z779	Jubilee Avenue Sibleby	5,647	-	(5,647)	7,000	1,353	5,700	De minimis, no comment required.
Z780	Wireless connectivity including	5,979	-	(5,979)	25,000	19,021	25,000	De minimis, no comment required.
								The first three installations have been completed and further rooms have been identified and equipment ordered than will utilise the rest of the existing budget before the end of the year
D60	Corporate Services	440,256	363,000	(77,256)	631,600	191,344	631,160	
	Total of Directly Delivered Schemes	1,266,989	1,212,500	(54,489)	2,790,000	1,523,011	2,611,740	

Accrual

General Fund Indirectly Delivered Schemes

Cost Centre	Cost Centre(T)	Profiled			Current Budget	Variance	Full Year Forecast	Budget Holder Comments
		Actual as at Period 8	Budget as at Period 8	Variance				
Z210	DFG Disabled Facilities Grant	378,936	519,000	140,064	1,028,800	649,864	1,028,800	The budget is fully committed apart from c.£40k. However due to the nature of the application process whereby if an application is eligible for the grant, the budget will be committed, it does not guarantee that the expenditure will be incurred for numerous reasons e.g. the applicant may decide to delay the work for their own personal reasons or the applicant may not be able to find a suitable contractor to do the work.
Z346	Private Sector Housing Grants	1,312	62,000	60,688	111,300	109,988	111,300	There is a commitment of £4,500 for a Home Repair Grant. In reviewing grants provided by the Council, consideration is given to residents in most need of assistance, and each case is assessed on its own merits to ensure that all other available options have been fully explored and assistance through other means is not reasonably available or practicable. Therefore as the Council has no control over the demand and will always explore all available options open to the applicants it is very difficult to profile the budget and forecast spend. The purpose of the funding is to ensure that we maximise the number of discretionary grants we can offer within our budget and in line with the Policy and not just to maximise the spend.

Z141	Regional Housing Pot Grant	-	42,900	42,900	42,900	42,900	42,900	The Private Sector Housing Grants Policy was approved by Cabinet in August 2017. The Council are unable to control the demand for grant applications. The following Discretionary Grants are available: <ul style="list-style-type: none"> • Discretionary Disabled Facility Grants - Relocation - Minor Works • Home Repair Grants • Home Safety Grants • Energy Company Obligation (ECO) "Help to Heat" Top up Grant • Partnership Grants
Z363	Fuel Poverty Scheme - DECC	-	-	-	9,000	9,000	9,000	In reviewing the grants provided by the Council, consideration is given to those residents in most need of assistance, and each case will be assessed on its own merits to ensure that: <ul style="list-style-type: none"> • All other available options have been fully explored. • Assistance through other means is not reasonably available or practicable. <p>Therefore as the Council has no control over the demand and will always explore all available options open to the applicants it is very difficult to profile the budget.</p> <p>The purpose of the funding is to ensure that we maximise the number of discretionary grants we can offer within our budget and in line with the Policy and not just to maximise the spend.</p>
Z367	Bleach Yard	3,751	-	(3,751)	9,700	5,949	9,700	This is forecast to be spent by year end on lighting and security
Z396	Public Realm - Shepshed Town C	-	37,000	37,000	24,600	24,600	24,600	This will be spent by the year-end
D50	Housing, Planning, Regeneratic	383,999	660,900	276,901	1,226,300	842,301	1,226,300	
Z292	Hallam Fields Community Buildi	22,610	90,000	67,390	350,000	327,390	350,000	This is fully funded by S106 contributions. The Parish Council is leading on the scheme and drawdown on the monies has started. The scheme involves 3 parties and has been a complicated scheme to get underway e.g. agreeing all the transfers of land and the required timings of these. The scheme has been out to tender, contractor appointed, works will commence in February 2019 with a completion date of August.
Z348	Community Facilities Grants	6,981	-	(6,981)	194,800	187,819	194,800	Expenditure is dependant on grant applications and requests for payment. The amount is a block sum to cover the capital plan period. Unspent budget to be carried forward.
Z488	Thorpe Acre Residents Associati	-	-	-	25,900	25,900	25,900	This is s106 monies. All monies to deliver the scheme are in place. The scheme has been delayed as the lease is still being negotiated. Until this is signed the work cannot begin.
Z499	Syston Town Council - contribut	9,663	-	(9,663)	209,900	200,238	209,900	This is fully funded by S106 contributions. The scheme has been delayed as setting it up has been a complicated process involving the transfer of land from the developer to the town council. Once this has been sorted out then the scheme can get underway.
Z500	Birstall Cedar Academy – contril	-	50,000	50,000	50,000	50,000	50,000	This scheme was expected to have completed in the year. This scheme is fully funded by S106 contributions. The scheme has been put on hold following the Academy, which is leading on the scheme, wanting to revisit the scheme proposals as the Football Association have approached them to explore making the pitch larger and of a higher specification.
Z502	Quorn Parish Council - redevelopo	25,168	-	(25,168)	25,200	32	25,200	Completed

Z778	Syston Community Garden	-	-	-	22,300	22,300	22,300	This is fully funded by S106 contributions. Awaiting the signing of the lease. The lease needs to be signed before the land can be handed over.
	Neighbourhoods & Community	64,421	140,000	75,579	878,100	813,679	878,100	
	Total of Indirectly Delivered Scl	448,420	800,900	352,480	2,104,400	1,655,980	2,104,400	
GF	General Fund	1,715,408	2,013,400	297,992	4,894,400	3,178,992	4,716,140	

HRA Directly Delivered Schemes

Cost Centre	Cost Centre(T)	Profiled Budget as at			Current Budget	Variance	Forecast	Budget Holder Comments
		Actual	Period 8	Variance				
Z760	Acquisition of Affordable Housi	1,170,045	514,000	(656,045)	1,953,000	782,955	1,953,000	It is anticipated that this will be spent if appropriate and suitable properties become available for sale. Any underspend for the year will be carried forward into 2019/20.
Z301	Minor Adaptations	30,043	25,000	(5,043)	50,000	19,957	50,000	Demand led workstream
Z302	Stairlifts	50,764	45,000	(5,764)	60,000	9,236	60,000	Demand led workstream
Z357	Estate and External Works	-	-	-	7,000	7,000	-	Spend less than estimated accrual
Z374	CO Monitors	1,890	-	(1,890)	-	(1,890)	-	Recorded in period 9 to H058 B0191
Z375	Stock Maximisation - Garages	-	-	-	50,000	50,000	-	Spend held pending review of garage sites
Z378	Door Entry Systems	69,027	42,000	(27,027)	251,800	182,773	251,800	Programme on track and due to be completed around end of Q3
Z380	Major Voids	10,372	-	(10,372)	-	(10,372)	10,370	Spend greater than estimated accrual
Z419	New Build/Acquisitions	1,536	-	(1,536)	-	(1,536)	-	Not significant
Z434	Asbestos Removal	90,968	117,000	26,032	150,000	59,032	150,000	Removal of asbestos takes place in parallel with delivery of decent homes works e.g. kitchens, bathrooms, heating etc.
Z454	Electrical Upgrades	24,326	-	(24,326)	30,000	5,674	24,330	Not significant
Z459	Re-roofing	157,411	128,000	(29,411)	128,100	(29,311)	29,310	Spend greater than estimated accrual
Z460	Kitchens	7,332	-	(7,332)	-	(7,332)	7,340	
Z462	Door Replacement	-	47,000	47,000	17,400	17,400	-	Spend less than estimated accrual
Z470	Job Management System	700	22,000	21,300	21,800	21,100	21,100	Development of electronic capital works management system is nearing completion
Z741	Communal Area improvements	1,506	-	(1,506)	10,500	8,994	1,500	Spend less than estimated accrual
Z742	Communal Area Electric	289,252	52,000	(237,252)	289,300	48	289,250	Full spend achieved
Z743	Sheltered housing imprmnt inc	38,080	-	(38,080)	163,000	124,920	130,000	
Z761	Major Adaptations - Fortem	48,653	300,000	251,347	525,000	476,347	293,000	Projection based on performance YTD
Z762	Major Voids - Fortem	34,370	70,000	35,630	280,000	245,630	100,500	Demand led workstream. Around 50% of major void works are undertaken by the in-house Voids Team, however capitalisation is not possible due to accounting audit requirements. It is therefore expected that there will be an underspend at Z762 of approximately £180k, with an overspend of round £140K at the revenue void budget
Z763	Kitchens - Fortem	62,395	-	(62,395)	322,000	259,605	211,000	Projection based on performance YTD
Z764	Bathrooms - Fortem	45,076	-	(45,076)	616,300	571,224	190,000	Projection based on performance YTD
Z765	Electrical Upgrades - Fortem	4,800	-	(4,800)	66,000	61,200	7,000	
Z766	Window Replacement - Fortem	-	-	-	10,000	10,000	-	No work currently identified as necessary
Z767	Central Heating and Boiler Insta	119,123	-	(119,123)	518,000	398,877	465,000	Projection based on performance YTD
Z768	Door Replacement - Fortem	100	-	(100)	315,000	314,900	78,180	National issue in relation to fire door supply has slowed programme
Z769	Re-roofing - Fortem	3,741	-	(3,741)	600,000	596,259	556,000	Projection based on Fortem forecast
Z770	Major Structural Works - Fortem	-	100,000	100,000	250,000	250,000	40,000	Demand led workstream
Z771	Communal Area Improvements	16,030	-	(16,030)	150,000	133,970	174,000	Programme on track and expected to be completed end of Feb 2019
Z772	Carbon Monoxide Alarms - Fort	2,050	-	(2,050)	50,000	47,950	50,000	Works programmed with Fortem
Z773	Fire Safety Works - Fortem	1,292	50,000	48,708	100,000	98,708	100,000	Works are being completed by Ventro, not Fortem so please re-name budget line. Programme issued.
Z774	Cavity and Loft Insulation - Fort	-	-	-	50,000	50,000	20,000	Projection based on Fortem forecast
Z775	Mobility Scooter Storage - Forte	-	-	-	15,000	15,000	-	Results of survey of all scooter users currently being analysed to inform spend.
Z776	Estate and External Works - For	71	-	(71)	205,000	204,929	170,000	Estimating process due to be completed by end of Feb 2019
Z857	Housing Capital Technical Costs	-	-	-	312,000	312,000	312,000	Concerns capitalisation of salary. An accounting adjustment will be undertaken at the end of the financial year.

HA	Housing Revenue Account Imp	1,110,907	998,000	(112,907)	5,613,200	4,502,293	3,791,680
	Total HRA	2,280,953	1,512,000	(768,953)	7,566,200	5,285,247	5,744,680
	Total Programme	3,996,361	3,525,400	(470,961)	12,460,600	8,464,239	10,460,820

CABINET – 17TH JANUARY 2019

Report of the Head of Strategic and Private Sector Housing Lead Member: Councillor Smidowicz

Part A

ITEM 8 DISCRETIONARY HOUSES IN MULTIPLE OCCUPATION LICENSING SCHEME

Purpose of Report

To provide an update on the decisions made by Cabinet in November 2015; to consider the introduction of a Discretionary Houses in Multiple Occupation (HMO) Licensing Scheme and the progress to implement a Loughborough Accreditation Standard in partnership with the Students Union.

Recommendations

1. Cabinet note the evidence gathered to date and the impact of the implementation of the Government's expansion of the Mandatory Licensing of HMOs in the Borough.
2. Cabinet agree to further investigations being undertaken to gather evidence as referred to in paragraph 61 to assess the possibility of the introduction of an Additional or Selective Licensing Scheme.
3. Cabinet note that a Borough wide Accreditation Scheme with the Students Union will not be taken forward.

Reasons

1. To enable the Cabinet to consider the evidence gained.
2. Further information and evidence is required for Cabinet's consideration and the consultation process required to introduce an Additional or Selective Licensing Scheme.
3. Resources were no longer available from the Student Union to take a Scheme forward.

Policy Justification and Previous Decisions

The Scrutiny Management Board considered the findings and recommendations of the Managing Student Occupancy Scrutiny Panel at its meeting held on 19th March 2014 and the Cabinet subsequently considered the report on 10th April 2014. The Board then received three reports on the implementation of decisions taken following Scrutiny recommendations. The final one, considered on 28th October 2015, showed that the implementation of all Cabinet resolutions were sufficiently complete and no further monitoring was required.

However, the Board resolved to make two further recommendations to the Cabinet (detailed in Part B of this report).

At its meeting held on 15th November 2015, having considered the report of the Scrutiny Management Board, the Cabinet resolved the following:

1. *that the Head of Strategic and Private Sector Housing further investigate the potential to implement a Loughborough Accreditation Standard in partnership with the Loughborough Students Union;*
2. *that the Head of Strategic and Private Sector Housing consider the submission from the Loughborough Student Advisory Service of complaints data from 2014/15 and evaluate this alongside the evidence that has already been collated;*
3. *that the Head of Strategic and Private Sector Housing submit a report to a future meeting of the Cabinet to provide updates on the evidence gained and the actions taken in relation to resolutions 70.1 and 70.2, above.*

Reasons

1. *If this can be achieved, it will assist in improving standards in the student Private Rented Sector, and raise awareness among students about some of the risks associated with poor housing standards.*
2. *To determine whether or not there are further options for investigation.*
3. *To enable the Cabinet to consider the evidence gained and the potential for further initiatives.*

This report provides an update following those decisions.

Implementation Timetable including Future Decisions and Scrutiny

Not applicable.

Report Implications

The following implications have been identified for this report.

Financial Implications

There are no financial implications arising from this report at this stage.

Risk Management

There are no risks associated with the recommendations within this report, however if the Council sought to introduce an Additional or Selective Licensing Scheme without sufficient justification there is a risk of legal challenge.

Key Decision: Yes

Background Papers: Scrutiny Management Board, 18th March 2015 – Agenda Item 8 and Minutes 53.2 and 53.3.

Scrutiny Management Board, 8th October 2014 – Agenda Item 8 and Minute 26.

Cabinet, 10th April 2014 – Agenda Item 6 and Minute 120.

Scrutiny Management Board, 19th March 2014 – Agenda Item 8 and Minute 51.

Cabinet Report, 19th November 2015 – Referral from Scrutiny – Managing Student Occupancy Scrutiny Panel – Agenda Item 6 and Minute 24.

Agendas and notes of the Managing Student Occupancy Scrutiny Panel meetings, available on the Council's website at:
http://www.charnwood.gov.uk/committees/managing_student_occupancy_scrutiny_panel

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Part B

Background

1. The Cabinet considered a report of the Scrutiny Management Board on 19th November 2015 when it was resolved that the Head of Strategic and Private Sector Housing should further investigate the potential to implement a Loughborough Accreditation Standard in partnership with the Loughborough Students Union; and consider the submission from the Loughborough Student Advisory Service of complaints data from 2014-2015 and evaluate this alongside the evidence that had already been collated in relation to potentially introducing an Additional or Selective Houses in Multiple Occupation (HMO) Scheme.

Licensing of Houses in Multiple Occupation (HMO)

2. The Housing Act 2004 requires Local Housing Authorities to licence mandatory licensable HMOs, and allows the licensing of other HMOs or privately rented housing.
3. Types of housing licensing are:
 - Mandatory Licensing
 - Additional Licensing
 - Selective Licensing
4. Under Housing Legislation, a HMO is an entire house or flat that is let to 3 or more tenants who form 2 or more households and who share a kitchen, bathroom or toilet.
5. For a property to be classed as a HMO, it must be used as the tenants only or main residence and it should be used solely or mainly to house tenants.

Mandatory Licensing

6. Mandatory Licensing under Part 2 of the Housing Act 2004, broadly speaking requires an HMO occupied by 5 or more persons in 2 or more households, sharing an amenity regardless of the number of storeys, to be licensed.
7. Prior to the 1st October 2018, only HMOs of 3 or more storeys, occupied by 5 or more persons in 2 or more households required a licence.

Additional Licensing

8. The Housing Act 2004 provides a power for Local Authorities to licence HMOs which are not covered by Mandatory Licensing. Part 2 of the Housing Act provides for Additional Licensing of HMOs for example, in a particular area or the whole district for those not covered by Mandatory Licensing.
9. The Act permits Additional Licensing where the Local Authority believes that a significant proportion of HMOs are being managed sufficiently ineffectively giving rise to problems for residents or the general public.

Selective Licensing

10. The Housing Act 2004 allows Local Authorities to introduce licensing for privately rented properties accommodating single households. It is intended to address the impact that poorly managed rented properties can have on the local environment and to improve housing conditions.
11. Part 3 of the Act sets out the scheme for licensing private rented properties in a Local Authority area. A Local Housing Authority can designate the whole or any part(s) of its area as being subject to Selective Licensing.
12. Where a Selective Licensing designation is made it applies to all Part 3 houses which may be houses or flats as defined by Sections 79 and 99 of the Act, which are privately rented properties in the area, subject to certain exemptions for example Registered Providers (formerly known as Housing Associations), or HMOs which are required to be licensed under Part 2 of the Act through an Additional Licensing Scheme.

Concerns raised by Councillors regarding Houses in Multiple Occupation

13. The concerns raised in relation to HMOs across the Borough, although predominately in Loughborough, include:
 - A need for a better understanding of who is living in HMOs, whether they are vulnerable people, there are safeguarding issues, and are right to rent checks being completed
 - Ensuring property standards through programmed Housing Health and Safety Rating System inspections
 - Checks on HMO property management across the Borough including:
 - Common parts, ensuring gardens and external areas are being maintained
 - Maintenance of Means of Escape and Fire Alarms
 - Inspection and testing of Gas and Electrical installations
 - Clarity in terms of Property Management and Ownership
 - Anti-Social Behaviour – and ‘Party Houses’

Number of HMO's in the Borough

14. It is estimated that there are in the region of 2,500 HMOs within Charnwood. Of this number, there currently 413 licensed properties (as at 23rd November 2018).
15. With the changes to Mandatory Licensing in October 2018, a significant number of new licence applications have been received and it is estimated that the number of licensed HMOs will rise to somewhere between 600-650 as a result. The licence fee received covers the Council's cost of processing the application, 1 inspection in the 5 year period but does not cover any enforcement action.

Complaints Information

16. Following the Cabinet resolution 13 of Minute 120 (2013-2014) data was collected for HMO complaints from the following sources:

- Planning and Regeneration
- Strategic and Private Sector Housing
- Neighbourhood Services
- Regulatory Services
- Cleansing and Open Spaces
- Loughborough University

17. The table below provides the data that has been collected from 2013-2014 to 2017-18 (the data is provided in Academic years from the 1st August to 31st July of each year):

Complaint Type	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Accumulations of waste	60	44	41	17	28
Noise (including music, banging, shouting etc)	14 *	239**	281**	217 **	335**
Untidy gardens	2	18	3	3	1
Side waste/bins	45	60	31	39	0
Housing Standards/Disrepair	10	16	18	17	13
Unauthorised Change of Use	35	36	35	18	4
Suspected Licensable HMO	1	6	15	4	8
Total	167	419	424	315	389

* The figures for 2013-2014 may not include all noise complaints received as data is not available.

** Includes data from Environmental Protection and Community Safety. NB Community Safety data relates to properties occupied by students – which are assumed to be HMOs (having 3 or more unrelated students).

18. The data submitted has been reviewed to understand the reporting mechanisms and how complaints are categorised and dealt with. Across the Council there are

a number of systems that complaints are recorded on, including Civica Flare, Northgate M3 and Sentinel (the Police data management system).

19. The complaints are categorised into low, medium and high priority and the actions that are taken are consistent across the Services, detailed in the table below:

Categorisation	Actions Taken
Low	Informal Discussions Warning Letters
Medium	Notices served
High	Court action taken

Loughborough Student Advisory Service (LSAS) Complaints Data

20. Following receipt of the Loughborough Student Advisory Services complaints data for the last five years, an evaluation of the submission was undertaken with the Council data and a comparison made with the previous years.
21. These complaints are in addition to those received by the Council but some may be duplicates of the ones received by the Council. Details of the submissions are presented in the table below:

Complaint Type	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Environmental Issues	1	1	2	2	1
Anti-Social Behaviour	5	7	2	1	1
Disrepair	29	36	61	72	46
Private Rented Sector	6	3	6	8	1
Total	45	47	71	83	49

22. Reviewing the evidence data for 2013-2014 the total number of Environmental Issues, ASB, Disrepair and Private Rented Sector complaints was 45.
23. The total number of complaints increased in 2015-2016 to 71 and 2016-17 to 83, but then decreased again in 2017-18 to 48.
24. Of all the complaints received and detailed in the table above, 100% were addressed through the available existing measures and multi-agency working which include:
- Student Advice and Support Service
 - University Community Wardens
 - Street Wardens
 - Environmental Health
 - Community Safety
 - Strategic and Private Sector Housing
 - Planning Enforcement
25. It is clear from the complaints received that the most common types of complaint associated with HMOs are:
- Accumulations of waste (including side refuse and refuse disposal arrangements)

Such accumulations can be dealt with successfully under the Crime and Anti-Social Behaviour Act 2014 – through a Community Protection Notice or, as in many cases, at the informal CPN Warning Letter stages.
 - Noise

The Council and the University work in partnership and sit on a Multi-Agency Working Group to manage the issue of anti-social behaviour arising from students living in the wider community.

The Group follows an incremental approach in managing this issue. The main form of ASB is noise, including transient noise in the street and disturbance particularly at night. Incidences of ASB are recorded by the partnership using the Sentinel system and this information is then accessed to inform the determination of planning applications.

With the evidence gathered in relation to ASB complaints associated with HMOs in the Borough, the number of complaints equates to 15% (detailed in table below), compared to two schemes introduced in Ashfield District Council with 48.5% and Peterborough City Council with 38.6%.

The evidence identifies that 15% of the complaints are related to HMOs and this therefore not be considered as a significant proportion of HMOs being managed sufficiently ineffectively to require an Additional or Selective Licensing Scheme under the Housing Act 2004 to be considered.

Number of HMOs	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Number of HMOs complained about *	138	262	280	314	380**
Total Number of HMOs	2130	2083	2077	2077	2509
% of HMOs complained about	6%	13%	13%	15%	15%

* There may be more than one complaint lodged against an HMO.

** Includes 318 complaints reported by Community Safety which have not been filtered to identify multiple complaints against the same property ie the figure is likely to be higher than the actual number of properties about which complaints were received.

26. Complaints of disrepair, untidy gardens and refuse accumulations can all be dealt with effectively under existing legislation including the:

- Crime and Anti-Social Behaviour Act 2014
- HMO Management Regulations
- Housing Act 2004.

Enforcement Legislation and Council Policies

27. The Council has a Corporate Enforcement Policy and the Service areas have Policies and legislation which are used to take enforcement action detailed in the table below:

	Service Area	Legislation	Council Policies
1	Strategic and Private Sector Housing	Housing Act 2004 Including Management Regulations and HMO Licensing Crime and Anti-Social Behaviour Act 2014 Environmental Protection Act 1990	Private Sector Housing Enforcement Policy 2018

2	Regulatory Services	Environmental Protection Act 1990 Prevention of Damage by Pests Act 1949 Anti-social Behaviour, Crime and Policing Act 2014 Building Act 1984 Local Government Miscellaneous Provisions Act 1976 Clean Neighbourhoods and Environment Act 2005	Regulatory Services Enforcement Policy
3	Development Control	Town and Country Planning Act 1990	Planning Enforcement Plan
4	Community Safety	Crime and Anti-Social Behaviour Act 2014	Community Safety Partnership

28. The table below provides the details of the enforcement action taken by the Strategic and Private Sector Housing Service by year between 2014 and 2017 and then whether this action was associated with an HMO (licenced or not) and the outcomes of the action taken.

Year	Total Number Properties where Enforcement Action was Taken	Non - Licensed HMO	Licensed HMO	Details of HMO related issues, action taken and outcomes
2014	5	1	0	Issue: Fire separation. Action: Improvement Notice. Outcome: Complied with.

2015	16	1	1	<p>Non-Licensed HMO - Issue: Fire, Falls on stairs. Action: Prohibition Notice/Improvement Notice. Outcome: Complied with.</p> <p>Licensed HMO - Issue: Falls on stairs. Action: Improvement Notice. Outcome: Complied with.</p>
2016	15	1	0	<p>Non-Licensed HMO - Issue: Excess cold, Excess heat, Overcrowding. Action: Improvement Notice. Outcome: Complied with.</p>
2017	23	1	1	<p>Non-Licensed HMO - Issues: Excess cold, electrics, damp and mould. Action: Improvement Notice. Outcome: Property vacant.</p> <p>Licensed HMO - Issue: Falls on stairs. Action: Improvement Notice. Outcome: Property vacant, currently being renovated.</p>
Total	59	4	2	

29. For 2018 to date, the table below includes the action taken by all Council Services:

Year	Total Number Properties where Enforcement Action was Taken	Non - Licensed HMO	Licensed HMO	Details of HMO related issues, action taken and outcomes
Strategic and Private Sector Housing	20	0	1	Licensed HMO – Issues: Excess cold. Action: Abatement Notice. Outcome: Boiler replaced.
Enviro Crime	13	0	0	Not applicable
Planning	1	0	0	Not applicable
Environmental	5	0	0	Not applicable

Protection				
Community Safety	2	0	0	Not applicable
Total	41	0	1	

Additional and Selective Licensing Schemes

30. An exercise has been undertaken to establish the drivers and the reasons for the Local Authorities that have introduced a Selective or Additional Licensing Scheme.

31. The Local Authorities detailed below have introduced Discretionary Licensing Schemes and these fall into the two categories below:

Additional Licensing - for buildings converted into self-contained flats, and smaller shared houses and flats where there were fewer than 3 storeys and/or fewer than 5 persons sharing and will impose the following that:

- supporting documents are provided, such as gas and electrical certificates, fire alarm test reports etc, at appropriate intervals or upon demand.
- accommodation, common areas, and amenities are kept in good repair and in a safe condition
- reasonable steps are taken to prevent or reduce antisocial behaviour at, or associated with, the property

Selective Licensing - to improve conditions, management standards and tenancy practices in the Private Rented Sector to ensure that properties have a positive impact on the area.

32. The table below provides an illustrative sample of the Schemes that have been introduced in other Local Authority areas:

Local Authority	Additional Licensing Scheme	Selective Licensing Scheme
Ashfield District Council	Not applicable	Introduced a Scheme on 1 st February 2017 to deal with ASB, Crime, Disrepair and Vacant Properties
Hastings Borough Council	The Scheme was introduced for all HMOs in 4 wards to deal with ASB,	Introduced for 7 areas of low housing demand experiencing ASB

	noise, rubbish, crime and fire safety	
Northampton Borough Council	<p>Introduced for all 2 storey properties in designated areas.</p> <p>Aimed at improving housing conditions for the occupants, the appearance and amenity of the community and reducing nuisance is intrinsic to maintaining high quality accommodation and directly impacts on property values.</p>	Not applicable
Nottingham City Council	<p>The Scheme was introduced to deal with ASB and noise nuisance</p> <p>Licensing is required for a property if occupied by 3 or more people and the tenants form 2 or more households and falls within the Additional Licensing designated area</p> <p>The impact or the benefits of the Scheme have not been assessed. Have not yet assessed impact of additional licensing</p>	Not applicable
Peterborough City Council	Not applicable	<p>Selective Licensing was introduced in designated areas of Peterborough on the 1st December 2016</p> <p>Selective Licensing introduced to improve the management and condition of properties in the Private Rented Sector, which will in turn reduce crime and ASB</p> <p>All of the wards subject to Selective Licensing had ASB higher than the</p>

		<p>Peterborough average and large percentage changes</p> <p>Within the 12 months ending August 2015 there were 8,330 ASB incidents recorded by Cambridgeshire Police within the City, of those 3,218 occurred within the designated areas which was 38.6% of the overall total</p>
Thanet District Council	Not applicable	<p>The Scheme was introduced in April 2011 to tackle low housing demand and ASB and will continue from April 2016 for a further 5 years</p> <p>Selective Licensing was chosen over additional licensing as there is no obligation to inspect and it covers all potential situations</p>
Warwick District Council	<p>Warwick does not have Additional or Selective Licensing but are considering the case for Additional Licensing. The Council feels that the Government's proposal to extend mandatory licensing may take care of this, and so have not progressed work to make a case for an Additional Licensing Scheme</p>	
Worcester City Council	<p>All HMOs across the City require an Additional Licence. The Scheme was introduced to improve management and property standards and neighbourhoods and to identify and deal with rogue landlords</p> <p>The Council advised that it was too early to evaluate the Scheme</p> <p>HMO landlords were given 3 months to apply, 400 applications were received, 2 additional officers have been appointed and are funded through Licensing fees</p>	Not Applicable

Process of Implementing a Discretionary Licensing Scheme

Additional Licensing

33. An Additional Licensing scheme should only be considered if the Council believes a significant proportion of HMOs in the area are being managed sufficiently ineffectively as to give rise to, or be likely to give rise to, problems for the occupants or for members of the public.
34. Section 56(3) of the Housing Act 2004 states that prior to designating areas subject to licensing the Local Authority must:
 - Take reasonable steps to consult persons who are likely to be affected by the designation, and
 - Consider any representations made in accordance with the consultation and not withdrawn.
 - The Authority must consider that a significant proportion of the HMOs of that description in the area are being managed sufficiently ineffectively as to give rise, or to be likely to give rise, to one or more particular problems either for those occupying the HMOs or for members of the public.
35. An Additional Licensing Scheme would not apply to any HMO to which the national mandatory scheme applies. The proposed designation would not apply to any building which is an HMO as defined in S257 of the Housing Act 2004, relating to certain converted blocks of flats.
36. Additional Licensing could impose the following:
 - Requirement for particular types of HMO, or HMOs within a particular area to be licensed.
 - Property to be licensed is assessed as to its suitability for multiple occupation
 - Licence holder will undergo a fit and proper person test and the management arrangements will be reviewed for suitability
 - Licence will include conditions requiring supporting documents to be provided, such as gas and electrical certificates, fire alarm test reports etc., at appropriate intervals or upon demand.
 - Licence may include conditions for regulating the management, use and occupation of the house concerned, its condition and contents. For example, requiring the landlord to take reasonable and practical steps to prevent or reduce anti-social behaviour by person occupying it.
 - A licence may not include conditions imposing restrictions or obligations on a particular person other than the licence holder, or requiring any alteration in the terms of any tenancy or licence under which a person occupies the house.

Selective Licensing

37. The Council can designate the whole or any part or parts of its area as subject to Selective Licensing.

38. The purpose of such a scheme is to improve standards of property management in the private rented sector. If a landlord rents out property in a Selective Licensing area they will need to obtain a licence from the Council, subject to certain exemptions.
39. The licence would require landlords to manage their properties in accordance with conditions that the Council specifies; failure to do so could lead to enforcement action.
40. Selective Licence would not be required for the following properties:
 - HMOs which are required to be licensed (Mandatory) under Part 2 of the Housing Act 2004;
 - properties subject to a “temporary exemption notice”;
 - properties subject to a Management Order;
 - properties which are occupied under a tenancy or licence which has been granted by a non-profit Registered Provider of social housing;
 - properties which are occupied under a tenancy or licence which has been granted by a profit-making registered provider of social housing in respect of social housing (within the meaning of Part 2 of the Housing and Regeneration Act 2008);
 - properties which are occupied under a tenancy or licence which have been granted by a body which is registered as a social landlord under Part 1 of The Housing Act 1996;
 - properties let under tenancies or licences described as ‘exempt’ from the requirement to be licensed by the Selective Licensing of Houses (Specified Exemptions) (England) Order 2006/370.
41. At the end of the 5 years, the scheme must be reviewed.
42. A licence would normally be valid up to the expiry of the scheme. Every licence will have a set of conditions which the licence holder would be required to comply with.
43. There are mandatory conditions which the Council must include in the licence. In addition, the Council has the discretion to add other conditions to the licence in relation to the general management of the house. These can include conditions relating to the use and occupation of the house, and measures to deal with anti-social behaviour of the actual tenants or those visiting the property.
44. However, the conditions imposed must be ones which relate to the residential use of the property – they cannot, for example, place responsibilities on landlords to act where tenants may be committing crimes unrelated to their occupation of the property.
45. A Selective Licensing designation may be made if the area to which it relates satisfies one or more of the following conditions. The area is one experiencing:
 - low housing demand (or is likely to become such an area)
 - significant and persistent problem caused by anti-social behaviour
 - poor property conditions

- high levels of migration
 - high levels of deprivation
 - high levels of crime
46. In considering whether to designate an area for Selective Licensing on the above grounds, the Council may only make a designation if the area has a high proportion of property in the private rented sector; those properties must be occupied either under assured tenancies or licences to occupy.
 47. Non-statutory guidance issued by the Department for Communities and Local Government in March 2015 ('The Government guidance') advises that a Local Housing Authority may only make a designation if the area has a high proportion of property in the private rented sector compared to the national average.
 48. When considering whether to make a Selective Licensing designation a Local Housing Authority must first identify the objective/s that a designation will help to achieve – it must identify whether the area is suffering problems (providing evidence of these problems) that are attributable to any of the above criteria for making a designation and what it expects the designation to achieve.
 49. It should only be used where existing measures alone are not sufficient to tackle the underlying housing problems of a specific area. It must consider whether there are any other courses of action available that would achieve the same objective/s as the proposed scheme without the need for the designation to be made.
 50. Local Authorities should carefully consider any potential negative economic impact that licensing may have in their area and some of the other possible effects of the designation (and to include any risk assessment they may have carried out).
 51. The Council must not make a particular designation unless:
 - they have considered whether there are any other courses of action available to them that might provide an effective method of achieving the objective/s that the designation would be intended to achieve, and
 - they consider that making the designation will significantly assist them to achieve the objective/s (whether or not they take any other course of action as well).
 52. The Council must decide what other measures they or other persons together with the Local Authority will take together with the Selective Licensing scheme to eliminate or mitigate the problems identified in the area and how they will work together.
 53. The Council will have to show how such a designation will be part of the overall strategic borough wide approach and how it fits with existing policies on:
 - Homelessness
 - Empty Homes

- Regeneration
 - ASB associated with privately renting tenants
54. From the 1st April 2015, Councils need to apply to the Secretary of State for Communities and Local Government (Secretary of State) for confirmation of any scheme(s) which would cover more than 20% of their geographical area or that would affect more than 20% of privately rented homes in the Local Authority area.
 55. Under these new arrangements, if a Council makes a designation that covers 20% or less of its geographical area or privately rented properties, the scheme will not need to be submitted to the Secretary of State, provided the authority has consulted for at least 10 weeks on the proposed designation.
 56. However, if the Council makes one or more designations that are in force partly concurrent to an existing scheme, and cumulatively all the designations cover more than 20% of the area or the private rented stock, those new designations will need to be submitted to the Secretary of State for approval. If two new designations account for more than 20% of the area or private rented stock when added together, they would both need to be submitted to the Secretary of State for approval.
 57. A Selective Licence would be granted with a set of conditions that must be observed. Failing to adhere to any licence condition is a criminal offence and may result in prosecution and an unlimited fine if found guilty.
 58. These conditions ensure the property is managed correctly, complaints of anti-social behaviour are dealt with appropriately and in a timely manner, gas and electrical certificates are supplied to the Licensing team and smoke alarms are kept in working order, amongst other things.
 59. Landlords cannot be held responsible for the actions of their tenants, but they can, more often than not, have some influence on the behaviour of their tenants. The Council believes that a good landlord would, once they became aware a tenant of theirs was engaged in unacceptable activities that had a detrimental effect on neighbours, try to take some steps to resolve the situation.

Conclusion

60. In conclusion following consideration of the evidence gathered to date and the Government expansion of the Mandatory Licensing of HMOs and having regard to the legislative requirements for making a proposal to introduce an Additional or Selective Licensing Scheme, that there is insufficient evidence to take this forward at this time.
61. A bid for £65,000 has been made for the Rogue Landlords Enforcement Grant.

The funding if the Council are successful will be used to:

- Undertake further research to identify Rogue Landlords across the Borough and take the appropriate action.

- Reviewing the current Policy approach to managing the negative impacts both poor housing and management can have on the Residents of the Borough.
- Providing a recommended approach to managing the proportion of Houses in Multiple Occupation in the Borough to inform the Local Plan preparation and the possibility of implementing an Additional or Selective Licensing Scheme.

62. The Rogue Landlord Enforcement Grant announcements will be made on the 4th January 2019 and a verbal update will be provided at the Cabinet meeting.

Loughborough Students Union Proposal for Housing Accreditation

63. Discussions have been held with Loughborough Students Union (LSU) with a view to exploring opportunities around joint working on a 'Loughborough Accreditation Scheme', aimed at utilising the skills of students with appropriate training to carry out Housing Health and Safety Rating System inspections of student houses, tackling poor standards and driving improvements in the Privately Rented student property market in partnership with the Council.
64. The Council already work in partnership with DASH to provide an Accreditation Scheme for responsible landlords. The Council holds a Service Level Agreement (SLA) with DASH to engage with landlords through the DASH Landlord Accreditation Scheme. The Council pays £5,000 + VAT for this service (which covers the legal license fee (RIAMS), discounts on Local Authority staff training, Local Authority staff conferences and Local Authority newsletters and national consultations).
65. Landlord Accreditation is an efficient way to raise housing standards, and Charnwood benefits from the scheme being a dual Accreditation Scheme with a strong training element as well as conducting property inspections.
66. Meetings were held with DASH and the LSU to discuss how the two organisations could work together to extend or expand the existing Accreditation Scheme.
67. The last meeting was held in November 2017 when the Student Union advised they no longer had the resources to take the Scheme forward.
68. DASH will therefore under the SLA with the Council advise and work with the Student Union to promote the existing Accreditation Scheme funded by the Council across the Borough.

CABINET – 17TH JANUARY 2019

Report of the Head of Strategic and Private Sector Housing Lead Member: Councillor Paul Mercer

Part A

ITEM 9 TENANCY STRATEGY 2019-2024

Purpose of Report

This report presents the proposed Tenancy Strategy 2019-2024 setting out the issues which Registered Providers with housing stock in Charnwood must have regard to in developing their Tenancy Policies.

Recommendation

1. That the overarching Tenancy Strategy in relation to the Borough, attached as Appendix 1 to this report, be approved.
2. That the Head of Strategic and Private Sector Housing in consultation with the Cabinet Lead Member for Housing be given delegated authority to make amendments to the Strategy in response to future legislative changes, changes at Local or Regional level, or Government Guidance, and the Constitution be amended accordingly.

Reason

1. To comply with the statutory requirements of the Localism Act 2011.
2. To ensure the Strategy remains fit for purpose.

Policy Justification and Previous Decisions

There is a statutory requirement for a local housing authority to develop a Tenancy Strategy under Section 150 of the Localism Act. The Council as a Strategic Housing Authority is required to provide clear guidance to all of its partners on the future shape and development of social housing within the Borough.

This Strategy replaces the previous Tenancy Strategy 2012-2017, Councils still have the primary responsibility to assess and meet the housing needs of the Borough.

Implementation Timetable including Future Decisions and Scrutiny

The proposed Tenancy Strategy covers the period 2019-2024.

Report Implications

The following implications have been identified for this report.

Financial Implications

There are no additional financial implications associated with this report.

Risk Management

There are no risks for the Council associated with the decision Cabinet is asked to make.

Equality and Diversity

An Equality and Diversity Impact Assessment has been completed – see Appendix 2.

Key Decision:	Yes
Background Papers:	Not applicable
Officer to contact:	Alison Simmons Head of Strategic and Private Sector Housing (01509) 634780 alison.simmons@charnwood.gov.uk

Part B

Background

1. There is a statutory requirement for a Local Housing Authority to develop a Tenancy Strategy under section 150 of the Localism Act. The Council as a Strategic Housing Authority is required to provide clear guidance to all of its Registered Providers (formerly known as Housing Associations) partners on the future shape and development of social housing within the Borough.
2. The Housing and Planning Act 2016 included the requirement that most new Local Authority tenancies were granted for a fixed term of between 2 and 10 years. However, the Government set out in the recently published “A New Deal for Social Housing Green Paper 2018”, the intention not to make these provisions mandatory.
3. This Strategy sets out the strategic position of the Council with regards to the use of, review of and ending of Fixed Term Tenancies, Affordable Rents, Mutual Exchanges and Succession Rights.
4. Registered Providers, including the Council, have to publish a Tenancy Policy, which gives regard to the Tenancy Strategy; it is not mandatory for them to adopt Fixed Term Tenancies.
5. Fixed Term Tenancies are only relevant to General Needs Housing and only apply to new tenants. Lifetime Tenancies remain for those in supported housing and older person’s schemes such as Sheltered Housing and Extra Care Housing.
6. One of the key objectives of Fixed Term Tenancies was to make the best use of the social housing stock by addressing under occupation and encouraging those people who can afford to do so to move to other tenures such a private rented, homeownership.
7. The table below summarises the potential Advantages and Disadvantages for the introduction of Fixed Term Tenancies:

Advantages	Disadvantages
<ul style="list-style-type: none">• Makes best use of housing to meet housing needs• Reduces under occupation• Opportunity to review with the tenant their Tenancy Agreement and to consider whether their current property meets their needs including location• The ending of a Tenancy can be an opportunity to tackle specific housing management issues such as anti-social behaviour and or breaches of a tenancy• May reduce rent arrears by ensuring	<ul style="list-style-type: none">• Tenants may take less pride in their home which may result in higher repair costs for the Landlord• May be disruptive to families with children who have to relocate away from friends and schools• May discourage people into work if their earning capacity is a factor in retaining a property• Maybe a potential cost to the Landlord in reviewing Tenancies at the end of the fixed period

tenants can affordable to pay the rent	<ul style="list-style-type: none"> Suitable properties need to be available to rehouse households.
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8. Registered Providers who wish to introduce Fixed Term Tenancies must first develop a Tenancy Policy. This Policy must have regard to the Council Tenancy Strategy.

Position of Registered Providers across the Borough

9. A review has been undertaken with the Registered Providers operating within the Borough to determine the extent to which they are using Fixed Term Tenancies and under what circumstances. In developing the revised Tenancy Strategy a questionnaire was sent to the 15 Registered Providers with stock in the Borough, requesting information as to whether they have introduced Fixed Term Tenancies, or intend to so in the future.

10. The following 6 responses were received:

Registered Provider	Fixed Term Tenancies Offered
Midland Heart	Yes - Fixed Term Tenancies only offered to new customers of 4 plus bedrooms
NCHA	No - Introduced Fixed term tenancies for some properties but have now made the decision not to continue with Fixed Term.
EMH Homes	No
Longhurst Housing Association	No
P A Housing	No
Derwent Housing Association	No

11. The 6 responding Registered Providers manage 69% (2,176) of the Registered Provider housing stock in the Borough.
12. In July 2018 the Institute of Social Policy, Housing and Equalities Research published findings of research undertaken into the use of Fixed Term Tenancies. The table below is an extract from this research, which shows for the Midlands area, of those responding 27% of Local Authorities and 88% of the Registered Providers current Tenant Policy is to let some of their homes on a Fixed Term basis.

Broad region	Local authorities ¹				Housing associations ²			
	Yes		No		Yes		No	
	Number	%	Number	%	Number	%	Number	%
Across broad regions	-	-	-	-	20	95	1	5
London	3	30	7	70	6	67	3	33
Midlands	3	27	8	73	7	88	1	13
North	3	33	6	67	7	47	8	53
South	12	60	8	40	19	70	8	30
Total	21	42	29	58	59	74	21	26

1. 50 LAs responded to this question. 2. 80 HAs responded to this question.

13. The most important reason for adopting Fixed Term Tenancies was to facilitate the efficient use of stock. The majority of those who responded expected to continue using Fixed Term Tenancies.

Affordable Rents

14. Affordable Rented housing rents (inclusive of service charges) are set at a level of up to 80% of the Market Rent and are not subject to the National Rent Regime. Social Housing rents are subject to National Rent Regime and are set at a level of up to 50% of the Market Rent (plus service charges where applicable).
15. While it is recognised that Affordable Rent housing is essential for the delivery of new homes funded by the Homes England, the cost of these may reach a level which, residents of the Borough who are on benefits are unable to meet the rent payments.
16. This is especially the case where changes to the welfare system have seen benefits no longer covering the full cost of a household rent, because of the benefit cap and the spare room subsidy.
17. The Council would prefer rents to be at a Social Rent level wherever possible, but recognises that in order to secure new supply, Affordable Rent will be delivered.

Mutual Exchanges

18. The Council recognises that for many tenants Mutual Exchanges are an important option available to them to improve their housing situation and social mobility.
19. The Localism Act 2011 created a new mechanism for Mutual Exchanges to protect certain lifetime tenants following the introduction of Fixed Term Tenancies.
20. The Council therefore would encourage Registered Providers to consider granting a degree of security equal to what is being given up, even though they are not obliged to do so to ensure that exchanges are an effective tool.

Succession

21. The Localism Act 2011 introduced changes to the statutory regime for Succession to a Tenancy when a tenant dies.
22. It remains that there can only be 1 Succession and that when 1 joint tenant dies this counts as 1 Succession.
23. The Registered Provider can make express provision in the Tenancy agreement to expand the group of individuals and family members that can succeed.
24. Given the level of housing need in the Borough, the Council will not support significant extension to the right to succeed.

Tenancy Policy

25. The Council would expect a Registered Provider's Tenancy Policy to cover the following areas:

- Fixed Term Tenancies
 - When they will be used
 - Review period and process
 - How a tenancy will be ended
- Affordable Rent
 - When they will be used
 - When conversions of existing properties from social to affordable will be considered
- Mutual Exchange
- Succession

Conclusion

26. It is proposed that the Tenancy Policy for the Council's stock will be reviewed and Tenants consulted and a report brought back to Cabinet with the outcome of the review and a Tenancy Policy for approval.

Appendices

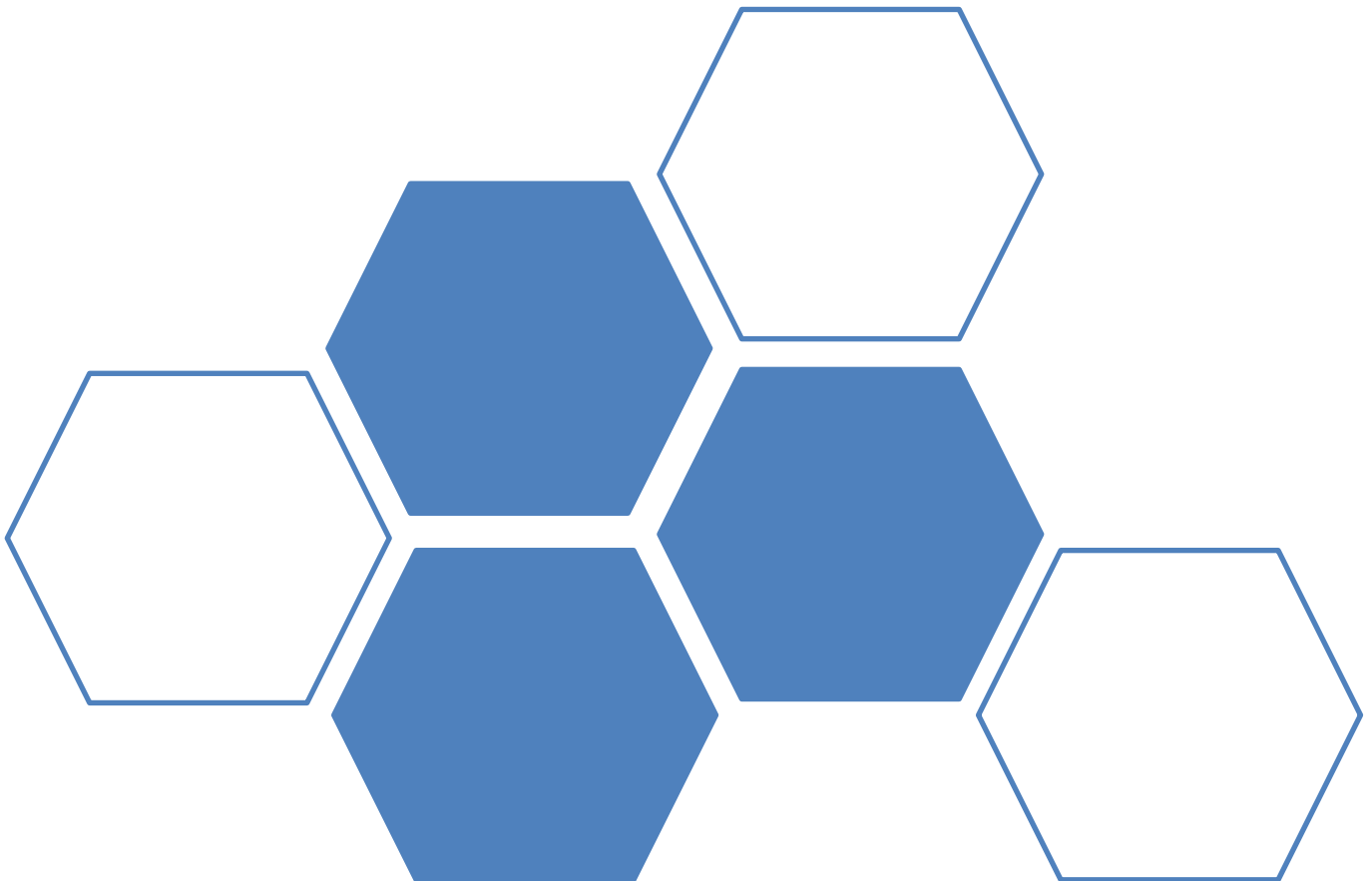
Appendix 1 - Tenancy Strategy 2019-2024

Appendix 2 - Tenancy Strategy 2019-2024 Equality Impact Assessment



Tenancy Strategy

2019-2022





Welcome to the Council's new Tenancy Strategy 2019-2022.

The Council recognises that a secure home is an essential cornerstone to a person's life chances. Having a stable home and environment can have a positive impact on the ability to secure employment, children's education attainment, and on a person's overall health and wellbeing.

This Strategy sets out the Council's expectations of Registered Providers with housing in the Borough as to the kind of tenancies they grant which will make the best use of the social housing stock available in the Borough whilst being affordable and promoting sustainable communities.

Councillor Paul Mercer
Lead Member for Housing



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The aim of the Tenancy Strategy is to ensure as far as possible a consistent approach to the use of Fixed Term Tenancies in the Borough and that affordable housing is genuinely affordable, to ensure that changes to tenure while making the best use of housing stock does not have an adverse impact on homelessness

The 2011 Localism Act introduced a duty on Local Authorities to prepare and publish a Tenancy Strategy. The purpose of this Strategy is to set out what Registered Providers (formerly known as Housing Associations) who own stock in the Borough need to have regard to when formulating their Policies on Tenancies and in any subsequent reviews and revisions.

This Tenancy Strategy is the second Strategy for Charnwood Borough Council and replaces the 2012-2017 Charnwood Borough Council Tenancy Strategy.

This Tenancy Strategy informs and is informed by the Council's Homelessness Strategy and Allocations Policy.

The Localism Act introduced a fundamental reform of the social housing tenure, the principal reforms were:

- That Registered Providers can offer Fixed Term Tenancies of a minimum

of 5 years, or in exceptional circumstances 2 years

- Increased flexibility for Councils to set their own Allocations Policies to meet local needs and circumstances
- The ability for Councils to place homeless households in suitable Private Rented Sector housing
- New social housing developments to include Affordable Rent model with rents of up to 80% market rent on new homes and the ability to convert vacant Social Rent homes to Affordable Rent
- Registered Providers being required to adopt and publish a Tenancy Policy
- Councils being required to consult on, adopt and publish a Tenancy Strategy
- The introduction of Affordable Rents and Fixed Term Tenancies has implications for tenants who wish to Mutual Exchange
- Changes to the rights of Succession has limited those able to succeed to a Tenancy on the death of the tenant

The introduction of both Fixed Term Tenancies and Affordable Rents has the potential to increase the number of people who can access affordable housing through an increase in supply and by more effective use of existing stock.

However, both initiatives need to be carefully monitored to ensure that any consequences can be mitigated and they do not have an impact on the levels of homelessness in the Borough.



Given the scale of the changes introduced by the Localism Act and the likely impact on a wide range of partners and stakeholders it was important to maximise the impact of the consultation during the development of the Council’s first Tenancy Strategy and Tenancy Policy in 2011.

A range of approaches were used including the holding of stakeholder events discussions at stakeholder groups and surveys of stakeholders and Housing Register applicants

The Localism Act introduced a requirement on Local Authorities to send a copy of the draft Strategy or proposed modifications, to every Registered Provider with housing in the Borough and to give the Registered Provider reasonable opportunity to comment on these proposals.

For the development of this Tenancy Strategy a questionnaire was sent to all the Registered Providers in the Borough to understand the use of both Fixed Term Tenancies and Affordable Rent across their stock and whether they intend to introduce these in the future.

The following 6 responses were received.

Registered Provider	Fixed Term Tenancies Offered
Midland Heart	Yes- Fixed Term Tenancies Offered to new tenants of properties 4 plus beds
NCHA	No- Introduced Fixed Term Tenancies but have now made the decision to discontinue with Fixed Term Tenancies
EMH Homes	No
Longhurst Housing	No
PA Housing	No
Derwent Housing	No

Current Position of Registered Providers in the Borough

There are 15 Registered Providers letting properties in the Borough providing a total of 2,901 homes, which is 34% of the total Social and Affordable Housing Stock of 8,482.

A list of the Registered Providers operating in the Borough can be found at Appendix 1.

The Council currently owns 5,581 properties



Fixed Term Tenancies can be used to ensure social housing stock is available for those who need it most.

Where Registered Providers decide to use Fixed Term Tenancies the following factors should be taken into account.

Fixed Term Tenancies should be for a minimum of 5 years, with consideration given for longer periods of time in specific circumstances.

In particular, longer Fixed Term Tenancies should be considered for families with young children, older households and for vulnerable tenants who would benefit from the increased stability offered.

Tenants going into Sheltered or Extra Care Housing should be given Lifetime Tenancies.

Shorter Term Tenancies (2 years) should only be used in exceptional circumstances, for example:

- Where the accommodation is only intended to be short term
- Where there have been significant previous Tenancy breaches
- Where there are concerns about affordability of the Tenancy

All prospective tenants should be given clear information on the type of Tenancy, the reasons for offering that Tenancy and

how the process for reviewing the Fixed Term Tenancies.

Decisions to end a Fixed Term Tenancy by accelerated possession proceedings should be proportionate and tenants should be provided with clear, accessible guidance on the Registered Provider's internal process.

Reviewing Fixed Term Tenancies

Registered Providers should explain in their Tenancy Policy the process for reviewing a Fixed Term Tenancy, detailing how frequently a Fixed Term Tenancy will be reviewed and what factors will be considered as part of that review.

It is expected that Fixed Term Tenancies are reviewed at least 9 months prior to the end of the Tenancy.

The Council will expect a Fixed Term Tenancy to be renewed other than when a tenant's circumstances have changed significantly, such as:

- The property is adapted and no one household member requires the adaptation
- The property is under occupied
- The property is overcrowded
- Any breaches of Tenancy or Tenancy fraud are identified during the Fixed Term Tenancy period.



Ending Fixed Term Tenancies

Where a Tenancy is to be ended without a breach of Tenancy, reasonable efforts should be made to offer suitable alternative accommodation and consideration given to extending the Tenancy until alternative suitable accommodation can be made available.

The Registered Provider must give at least 6 months written Notice to a tenant if the Tenancy is not renewed.

The reasons for ending the Tenancy should be clearly set out and information provided to the tenant on how to make an appeal. The tenant then has 21 days from the date of the Notice of nonrenewal to request a review and it is not necessary for this request to be in writing.

When carrying out the review the Registered Provider must consider whether its decision not to renew the Tenancy, is consistent with the renewal process for Fixed Term Tenancies.

The Registered Provider must notify the tenant, in writing, of its decision on review, and if the review upholds the original decision, the tenant must be given reasons for the decision.

The Registered Provider should inform the Housing Options Team at Charnwood Borough Council when a decision has been made to end a Tenancy and the reasons for ending the Tenancy.

Affordable Rent

Affordable housing development is developed through 2 mechanisms:

- Planning obligations in Section 106 Agreements
- Grant funding from Homes England (HE)

In the Charnwood Borough, Section 106 Agreements deliver:

- Affordable Rented and Social Rented properties
- Affordable home ownership such as Shared Ownership:

HE Shared Ownership and Affordable Homes Programme provides grant funding for the following schemes:

- Help to Buy - requiring a smaller deposit
- Buying a share of a home – shared ownership
- Help to save for a deposit by paying a below market rent.

Social Rented housing has a rent level determined through the National Rent Regime

Affordable Rented housing is not subject to the new National Rent Regime and rents are set at a level of up to 80% of the Market Rent.

While it is recognise that Affordable Rent housing is essential for the delivery of new homes funded by the HE, the cost of

these may reach a level which, is unaffordable to residents of the Borough

This is especially the case where changes to the welfare system have seen benefits no longer covering the full cost of a household rent, because of the benefit cap and the spare room subsidy.

The Council would prefer rents to be at a Social Rent level wherever possible, but recognises that in order to secure new supply, Affordable Rent will be delivered.

Affordable Rented and Socially Rented properties will be advertised alongside one another within the Council's Choice Based Lettings Scheme

The Council would not expect additional qualifying criteria to be attached to Affordable Rented properties. Adverts will contain sufficient information to allow applicants to make informed choices based on their individual circumstances and available properties

Converting existing properties into Affordable Rent

Registered Providers have the ability to convert existing Social Rent properties into Affordable Rent with the additional investment being raised used for investment in new affordable housing.

The proportion of extra rent that can be charged under Affordable Rents increases along with property size, and as a result, in order to maximise income there may be a tendency for Registered



Providers to concentrate rent conversions on their larger properties.

Affordability

Currently all Affordable Rents across the Borough fall within the Local Housing Allowance (LHA) cap in Charnwood, although this situation will need to be monitored as it could change over the life of this Strategy.

When setting Affordable Rents the Council would expect Registered Providers to have regard to general affordability and the differential between Social Rents and Affordable Rents. This is to ensure not only Affordable Rents remain affordable for those on low incomes, but that significant differences in demand between Social Rents and Affordable Rents do not emerge that would undermine their ability to assist in meeting housing need



mutual exchanges

The Council recognises that for many tenants Mutual Exchanges are an important option available to them to improve their housing situation and social mobility

As a result, the Council would not want changes to the tenure legislation to impact on the effectiveness of this option.

The Council therefore would encourage Registered Providers to consider granting a degree of security equal to what is being given up, even though they are not obliged to do so to ensure that exchanges are an effective tool.

The introduction of Affordable Rents and Fixed Term Tenancies has implications for tenants who wish to exercise their right to Mutual Exchange.

Although there is some protections for existing tenants in certain circumstances these protections are not universal.

The Localism Act 2011 created a new mechanism for Mutual Exchanges to protect certain lifetime tenants following the introduction of Fixed Term Tenancies.

Assured Lifetime and Secure Lifetime tenants who were granted their Tenancy prior to 1 April 2012, whereby if they exchange with a tenant on a Fixed Term Tenancy, then a new Tenancy is issued to each and the tenant is granted another assured Tenancy.

The Fixed Term Tenant is granted a new Tenancy but there is no particular provision regarding its status so it will be a matter for the Registered Provider to decide what type of Tenancy to offer.

The legislation will only apply in a limited number of cases, but Registered Providers should ensure that, whatever the legal mechanism for Mutual Exchange, tenants are aware of the implications, including any changes in secure or assured status, any change in rent level between social and Affordable Rent, and any gain or loss of the Right to Buy, Preserved Right to Buy, or Tenancy Right to Acquire

Prior to the Localism Act 2011 a wide range of family members were able to succeed to a Tenancy on the death of a secure tenant, include spouses, partners, civil partners, parents, grandparents, children, grandchildren, aunts, uncles, nieces , nephews and adopted children.

The Localism Act 2011 introduced changes to the statutory regime for Succession to a Tenancy when a tenant dies.

It remains that there can only be 1 Succession and that when 1 joint tenant dies this counts as 1 Succession

Under the Localism Act Secure Tenancies which started after 1 April 2012 are limited to the Succession of spouses or civil partners. This is an automatic right

The Registered Provider can make express provision in the Tenancy agreement to expand the group of individuals and family members that can succeed.

Given the level of housing need in the Borough, the Council will not support significant extension to the right to succeed.

However, following the death of a tenant if there is someone residing in the home, as his or her principal residence, who is not entitled to succeed, the landlord should

- provide housing options advice and assistance to that person
- make sure that their Policies protect the interests of vulnerable people and
- where appropriate offer alternative accommodation of a size that meets that person's needs



Resources

Delivering the Tenancy Strategy

The key resources required to deliver this Strategy include:

- Housing Strategy and Support Manager
- Registered Providers having regard to the Tenancy Strategy when developing Tenancy Policies

Monitoring

Performance Monitoring and Review

The Strategy will be monitored and reviewed on an annual basis or more frequently as changes in legislation, including benefits entitlement, may dictate.

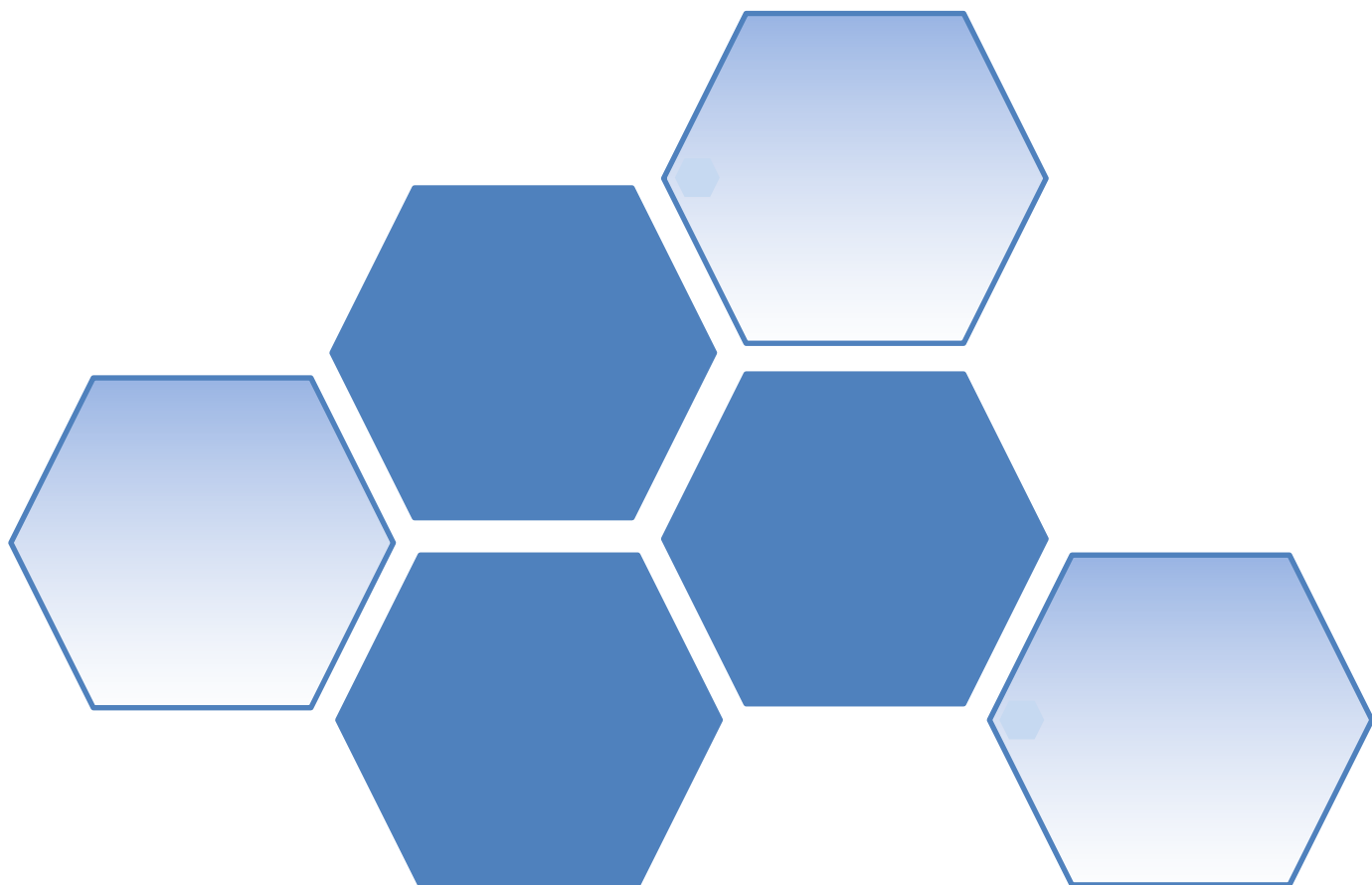
Minor changes which make no significant difference to service provision will be made to the document under delegated authority by the Head of Strategic and Private Sector Housing in consultation with the Lead Member for Housing.

Should the Policy be impacted by significant changes or financial implications, it will be taken to Cabinet for consideration.



Registered Provider Housing Stock for Rent in the Borough	
Registered Provider	Number of Properties for Rent
Abbeyfield Loughborough Society	2
Advance Housing and Support	54
Paragon ASRA Housing	225
Derwent Living	80
East Midlands Housing Group	637
Hanover Housing Association	58
Housing and Care 21	405
Longhurst Group	442
Longhurst Friendship Care and Housing	287
Metropolitan Housing	156
Midland Heart Group Limited	18
Nottingham Community Housing Association	173
Riverside Housing Association	312
Stonewater	12
TunTum Housing	2
Total	2,901





Charnwood Borough Council

Equality Impact Assessment 'Knowing the needs of your customers and employees'

■ Background

An Equality Impact Assessment is an improvement tool. It will assist you in ensuring that you have thought about the needs and impacts of your service/policy/function in relation to the protected characteristics. It enables a systematic approach to identifying and recording gaps and actions.

■ Legislation- Equality Duty

As a local authority that provides services to the public, Charnwood Borough Council has a legal responsibility to ensure that we can demonstrate having paid due regard to the need to:

- ✓ Eliminate discrimination, harassment and victimisation
- ✓ Advance Equality of Opportunity
- ✓ Foster good relations

For the following protected characteristics:

1. Age
2. Disability
3. Gender reassignment
4. Marriage and civil partnership
5. Pregnancy and maternity
6. Race
7. Religion and belief
8. Sex (Gender)
9. Sexual orientation

What is prohibited?

1. Direct Discrimination
2. Indirect Discrimination
3. Harassment
4. Victimisation
5. Discrimination by association
6. Discrimination by perception
7. Pregnancy and maternity discrimination
8. Discrimination arising from disability
9. Failing to make reasonable adjustments

Note: Complete the action plan as you go through the questions

Step 1 – Introductory information

Title of the policy	Tenancy Strategy 2019-2022
Name of lead officer and others undertaking this assessment	Beverly Wagstaffe - Housing Strategy and Support Manager
Date EIA started	21 st December 2018
Date EIA completed	21 st December 2018

Step 2 – Overview of policy/function being assessed:

Outline: What is the purpose of this policy? (Specify aims and objectives)
<p>The aim of the Tenancy Strategy is to ensure as far as possible a consistent approach to the use of Fixed Term Tenancies in the Borough and that affordable housing is genuinely affordable.</p> <p>The Tenancy Strategy sets out the Council's expectations should a Registered Provider wish to introduce Fixed Term Tenancies. Fixed Term Tenancies only apply to new tenants and not to those living in specialist accommodation such as Sheltered Housing/Extra Care Schemes.</p> <p>The Council's Tenancy Policy will be reviewed later in the year. This will set out the types of tenancies the Council will issue and be subject to wider consultation with tenants and residents.</p>
What specific group/s is the policy designed to affect/impact and what is the intended change or outcome for them?
<p>The Strategy is designed to support new and existing tenants of social housing in the Borough. The intended outcome is to the make the best use of the social housing stock whilst not resulting in an adverse impact on the homelessness.</p>
Which groups have been consulted as part of the creation or review of the policy?
<p>The Registered Providers (RP) with housing stock in the Borough have been consulted. Of those that responded, only 1 RP had adopted Fixed Term Tenancies offered to new tenants of 4 plus beds.</p>

Step 3 – What we already know and where there are gaps

List any existing information/data do you have/monitor about different diverse groups in relation to this policy? Such as in relation to age, disability, gender reassignment, marriage and civil partnership, pregnancy & maternity, race, religion or belief, sex, sexual orientation etc.

Data/information such as:

- Consultation
- Previous Equality Impact Assessments
- Demographic information
- Anecdotal and other evidence

Housing Register Data - December 2018

Age Profile

Age Band	Beds				Total
	1	2	3	4	
18-24	146	116	7	1	270
25-29	151	205	35	12	403
30-44	346	393	183	121	1043
45-59	323	165	83	28	599
60-64	99	14	5	3	121
65 & Over	334	28	4	4	370
Total	1399	921	317	169	2806

Ethnicity

	Total	%
Asian - Bangladeshi	87	3.10
Asian - Chinese	6	0.21
Asian - Indian	45	1.60
Asian - Other	37	1.32
Asian - Pakistani	4	0.14
Black - African	46	1.64
Black - Caribbean	14	0.50
Black - Other	5	0.18
Other	34	1.21
Other - Mixed	6	0.21
Prefer Not to Say	64	2.28
White & Asian	20	0.71
White & Black African	6	0.21
White & Black Caribb'n	24	0.86
White - British	2210	78.73
White - Irish	8	0.29
White - Other	191	6.80
	2807	100.00

What does this information / data tell you about diverse groups? If you do not hold or have access to any data/information on diverse groups, what do you need to begin collating / monitoring? (Please list)

The information above shows that applicants on the Housing Register aged 30-44 are more likely to be affected should an RP adopt the use of Fixed Term Tenancies. That the majority of applicants are White - British, which is a reflection of the population profile for the Borough.

■ **Step 4 – Do we need to seek the views of others? If so, who?**

In light of the answers you have given in Step 2, do you need to consult with specific groups to identify needs / issues? If not please explain why.

No. The Tenancy Strategy informs the RPs with social housing stock in the Borough as to the Council's expectations should they wish to introduce Fixed Term Tenancies. Each RP is required to prepare a Tenancy Policy giving regards to the Tenancy Strategy and consult with residents accordingly. The Tenancy Strategy does not change current policy.

■ **Step 5 – Assessing the impact**

In light of any data/consultation/information and your own knowledge and awareness, please identify whether the policy has a positive or negative impact on the individuals or community groups (including what barriers these individuals or groups may face) who identify with any 'protected characteristics' and provide an explanation for your decision (please refer to the general duties on the front page).

	Comments
Age	No impact/neutral impact
Disability (Physical, visual, hearing, learning disabilities, mental health)	No impact/neutral impact
Gender Reassignment (Transgender)	No impact/neutral impact
Race	No impact/neutral impact
Religion or Belief (Includes no belief)	No impact/neutral impact
Sex (Gender)	No impact/neutral impact

Sexual Orientation	No impact/neutral impact
Other protected groups (Pregnancy & maternity, marriage & civil partnership)	No impact/neutral impact
Other socially excluded groups (carers, low literacy, priority neighbourhoods, health inequalities, rural isolation, asylum seeker and refugee communities etc.)	No impact/neutral impact

Where there are potential barriers, negative impacts identified and/ or barriers or impacts are unknown, please outline how you propose to minimise all negative impact or discrimination.

Please note:

- a) If you have identified adverse impact or discrimination that is illegal, you are required to take action to remedy this immediately.
- b) Additionally, if you have identified adverse impact that is justifiable or legitimate, you will need to consider what actions can be taken to mitigate its effect on those groups of people.

No

Summarise your findings and give an overview as to whether the policy will meet Charnwood Borough Council's responsibilities in relation to equality and diversity (please refer to the general duties on the front page).

The Tenancy Strategy does not discriminate against any of the protected characteristics. It sets out the Council's expectations should an RP wish to introduce Fixed Term Tenancies.

Step 6- Monitoring, evaluation and review

Are there processes in place to review the findings of this Assessment and make appropriate changes? In particular, how will you monitor potential barriers and any positive/ negative impact?

The outcome of this EIA will be monitored and reviewed alongside the Strategy

How will the recommendations of this assessment be built into wider planning and review processes? e.g. policy reviews, annual plans and use of performance management systems.


■ **Step 7- Action Plan**

Please include any identified concerns/actions/issues in this action plan: The issues identified should inform your Service Plan and, if appropriate, your Consultation Plan			
Reference Number	Action	Responsible Officer	Target Date

■ **Step 8- Who needs to know about the outcomes of this assessment and how will they be informed?**

	Who needs to know (Please tick)	How they will be informed (we have a legal duty to publish EIA's)
Employees		
Service users		
Partners and stakeholders		
Others		
To ensure ease of access, what other communication needs/concerns are there?		

■ **Step 9- Conclusion (to be completed and signed by the Service Head)**

Please delete as appropriate	
I agree / disagree with this assessment / action plan	
If disagree , state action/s required, reasons and details of who is to carry them out with timescales:	
Signed (Service Head):	 Ausan Summers Head of Strategy and Private Sector Strategy
Date:	24th December 2018

Please send completed & signed assessment to Suzanne Kinder for publishing.

CABINET – 17TH JANUARY 2019

Report of the Head of Finance and Property Services

Lead Member: Councillor Thomas Barkley

Part A

ITEM 10 PROCUREMENT STRATEGY 2018/19 TO 2024/25

Purpose of Report

To bring forward the Procurement Strategy for consideration and agreement by Cabinet.

Recommendation

That the Procurement Strategy 2018/19 to 2024/25, attached as Appendix A, be approved.

Reason

To provide a basis for procurement practices within the Council which supports the aims of the Corporate Plan

Policy Justification and Previous Decisions

The Procurement Strategy provides a framework for the Council to obtain value in all its procurement activities. The Strategy addresses all elements of procurement activity, from identifying the need, considering options, procuring the appropriate goods, services or works, effective supplier and contract management, through to the disposal of assets. The Strategy also addresses the many solutions available to the Council, from establishing corporate contracts, using collaborative and consortia arrangements, through to developing long-term strategic partnerships.

As such the Strategy supports the following aims in the Corporate Plan: to promote a Borough with a strong and diverse economy and to seek ways to deliver better services as efficiently as possible.

The previous Procurement Strategy was agreed by the Cabinet in January 2013.

Implementation Timetable including Future Decisions and Scrutiny

This Strategy was reviewed by the Policy Scrutiny Group on 10th July 2018. At that meeting the Group considered two versions of the Strategy, the current format and a possible shorter format. The Group expressed a strong preference for the longer format and that has been retained for the new Strategy. The Group also

stated that it was important that the key objectives of the Strategy were set out as clearly as possible and that it supported the statement regarding the role that the Council played regarding social impact and cohesion in the current version of the Strategy (minute 7 2018/19 refers). Work has been done to clarify the key objectives and the statement regarding social impact and cohesion has been retained.

It is proposed to review the Strategy again in five years' time unless significant legislative or other changes make an earlier review necessary.

Report Implications

Financial Implications

There are no direct financial implications arising from this Strategy.

Risk Management

There are no direct risks associated with the decision the Cabinet is asked to make.

Key Decision: No

Background Papers: None

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Tina Stankley
Head of Finance and Property Services
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Part B

Background

1. The previous Procurement Strategy was agreed by the Cabinet on 17th January 2013 (minute 91 refers).
2. The new Strategy has been updated to reflect changes in legislation made in 2015 when EU procurement regulations and other amendments were incorporated into UK law through the introduction of the Public Contracts Regulations. During the last four years there have also been several innovations in procurement techniques, most notably web-based procurement tools like G-Cloud which provides a quick and efficient method to purchase digital solutions which have been incorporated into the Strategy.
3. The amended Procurement Strategy is set out in Appendix A to this report. The revised Strategy has been subject to an Equalities Impact Assessment (attached as Appendix B). This did not result in any changes needing to be made to the Strategy.

Appendices

- Appendix A – Procurement Strategy 2018/19 to 2024/25
- Appendix B – Equalities Impact Assessment



Charnwood Borough Council
Procurement Strategy
2018/19 to 2024/25

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PROCUREMENT STRATEGY

Introduction

1. The Corporate Procurement Strategy provides a framework for the Council to obtain value in all its procurement activities. The strategy addresses all elements of procurement activity, from identifying the need, considering options, procuring the appropriate goods, services or works, effective supplier and contract management, through to the disposal of assets. The strategy also addresses the many solutions available to the Council, from establishing corporate contracts, using collaborative and consortia arrangements, through to developing long-term strategic partnerships.

2. This strategy continues to provide a clear focus on identifying and delivering efficiencies, but not at the expense of quality. More than ever before, public sector finance is under significant pressure and procurement has a significant role to play in reducing the Council's expenditure through evaluating on the basis of whole life costs with due regard to risk.

3. The current economic climate makes it equally important for the Council to maintain its commitment to supporting the local economy and improving opportunities for businesses to engage with the Council. One of the themes of the Council's Corporate Plan is to make Charnwood a Borough with a strong, diverse economy. The Corporate Plan states that "A strong growing and diverse economy is good for every business, community and household".

4. This strategy, and the supporting Contract Procedure Rules, are designed to reflect current best practice and legislative changes and also provide a framework to enable all the Council's officers to demonstrate value for money whilst taking account of other issues such as sustainability.

5. This Corporate Procurement Strategy is supported by corporate systems that provide guidance and support for all officers of the Council who procure goods, services and works.

Executive Summary

6. This document sets out the Council's strategic approach to procurement. It is not intended to be a procurement manual; however, the principles contained within this strategy should be applied to all procurement activity. Consideration of this strategy is not optional and it should be read in conjunction with the Contract Procedure Rules.

7. The Council has a duty to secure best value and continuous improvement in the way that functions are carried out, having regard to a combination of efficiency, economy and effectiveness. Effective procurement is crucial in securing high quality, best value public services and the Government has

highlighted that the development of a clear procurement strategy is a key step towards achieving best value and delivering demanding efficiency targets.

8. To achieve the Council's objectives it will approach competition positively, taking full account of the opportunities for innovation and genuine partnerships which are available from working with others in the public, private and voluntary sectors. Importantly, this strategy seeks to balance two priorities: delivering efficiencies and quality, and sustainable procurement, engaging with local and regional suppliers to promote the local economy and taking account of the social and environmental impact of spending decisions.

9. The Council's approach to procurement also relies on developing a collaborative approach to procurement with other authorities and organisations such as the Eastern Shires Purchasing Organisation (ESPO) and EMPA/SCAPE to achieve economies of scale where appropriate. This strategy provides a corporate focus for procurement. It embraces the authority's commitment to strategic procurement and sets out the Council's aspirations. It is not a "user manual"; more detail on procurement processes and issues will be found in the Charnwood Borough Council Procurement Toolkit and Contract Procedure Rules.

Procurement in context

10. Procurement is defined as:
"Procurement is the process of acquiring goods, works and services, covering both acquisitions from third parties and from in-house providers. The process spans the **whole cycle** from identification of needs, through to the end of a services contract or the end of the useful life of an asset. It involves options appraisal and the critical "make or buy" decision, which may result in the provision of services in-house in appropriate circumstances."¹

11. Strategic Procurement

Strategic procurement is a series of activities and processes that sits at the heart of the Council, providing the framework by which the Council obtains value for money in all the goods, services and works that it requires. This can be illustrated by the following diagram, which shows the interrelationship between the role of corporate procurement and the Council as a whole.

¹ National Procurement Strategy for Local Government - Oct. 2003, ODPM.



12. Principles for Effective Procurement

It is important to ensure that procurement decisions are legal, ethical and in accordance with the policies and procedures of the Council and that consideration is given to the impact on the economic, social and environmental well-being of the Borough.

The Corporate Plan

13. Effective procurement is crucial to achieve continuous improvement and to securing value for money in public services. The Council is one of the larger purchasers of goods and services in the Borough, and has both legal and ethical responsibilities when making procurement decisions.

14. Coordinated and focused procurement activity enables the Council to proactively support the Corporate Plan in a range of areas including;

Priority:	Action:
Promote a borough with a strong and diverse economy	Provide opportunities and procurement support to local businesses
Seek ways to deliver better services as efficiently as possible	Manage Procurement process to deliver contracts which provide the most economically advantageous solutions

Policies

15. Sustainable Procurement - Sustainable Procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating

benefits not only to the organisation, but also to society and the economy, whilst minimising damage to, or indeed improving the environment. Simply, sustainable procurement is good procurement.

16. The Council is working regionally to develop and promote models of sustainable procurement, and engage with local partners, other public sector organizations, the business community, agencies and the voluntary sector to test these models. It is important to build internal capability for implementing sustainable procurement and the Council provides courses to increase awareness and build skills.

Economic Regeneration

17. The Council is one of the larger spending organisations in the Borough, and the more money that is spent locally, the greater the positive impact this will have on the local economy, particularly for small and medium sized businesses.

18. Procurement legislation limits the Council's ability to favour local businesses, but there are numerous ways in which it can legitimately support local businesses, including:

- working proactively with partners to support local businesses through media and workshops to explain how to do business with the Council, and obtain their feedback in order to improve documentation and processes

- providing information about future procurement activity, and advertising tenders on the Electronic Contract Management System, Contracts Finder and Source Leicestershire (links provided below)

- <http://data.charnwood.gov.uk/finance/contractlist>

- <https://www.contractsfinder.service.gov.uk/Search>

- and <http://www.sourceleicestershire.co.uk>

- running supplier engagement events.

- packaging contracts, letting in lots where possible, in a manner that does not preclude the following from tendering:

- local and regional companies
- micro, small and medium sized enterprises
- newly formed businesses
- the voluntary and community sector

19. The challenge for procurement is to balance the following conflicting priorities:

- obtaining value for money and the required quality

- sourcing locally where possible within the legislative framework

- procuring in a sustainable way with regard to environmental, social and economic factors, and

- reducing the number of suppliers (especially those where annual spend is less than £1,000).

Social Development

20. The Council is one of the larger spending organisations in the Borough and has a role to play in addressing social impact and cohesion across the Borough. Social benefits include the creation of employment and training opportunities.

21. The Council recognises and values the added benefits that the voluntary, community and social enterprise sectors can provide. Council policy is that procurement for more than £25,000 is advertised on Contracts Finder in Source Leicestershire and on the Charnwood Borough Council Contract Register site and where appropriate, to identify potential voluntary sector suppliers and invite them to quote.

This £25,000 limit relates to the life of a contract so if the supply is for, say, four years then the annual value will be £6,250.00 which should make the business attractive to smaller entities and not-for-profit organisations.

22. Where relevant to the subject matter of the contract, the bidders approach to tackling unemployment, creating training, apprenticeship opportunities especially for disabled apprentices and 'supported businesses' (organisations where 50% or more of their workforce are disabled) will be incorporated into the procurement process. Furthermore, the Council is continuing to work with the supply chain to continually seek improvements and to address ethical issues, for example, adopting, where appropriate, the use of Fair Trade products and supporting local suppliers.

23. For supplies under £25,000, the relevant Service Manager will obtain three written quotations and they would usually seek to obtain quotations from local suppliers where possible.

24. Under the Public Services Social Value Act it is a legal requirement for local authorities to consider social value in making procurement decisions. Charnwood Borough Council will take account of outcomes that organisations can achieve that are additional to, and not the main focus of, their provision. For example, when tendering to provide Tree Surgery services suppliers could offer added social value by detailing outcomes they could achieve to improve training opportunities, apprenticeships and employability within the borough.

Environmental Management

25. The Council, along with its partners, is committed to ensuring that services are delivered in a way that protects the quality of the environment and minimises any adverse impact on community well-being. The Council recognises that procurement can be integral in delivering more sustainable outcomes for the district. To achieve this it is necessary to ensure that environmental and broader sustainability considerations are taken into account throughout the procurement process.

26. The approach to sustainable procurement reflects the corporate approach to sustainability. Specific guidance on sustainability issues in procurement is included in the procurement tool kit.

27. The Council has adopted an Environmental Policy. This is updated periodically, most recently in 2015.

28. Equally important, the Council will apply procedures for the proper management and disposal of assets to ensure both value for money and to minimise any adverse impact on the environment.

Equality and diversity

29. Sustainable procurement also embraces the Public Sector Equality Duty set out in the Equality Act 2010 ensuring that equality and diversity, including cohesion is addressed in all procurement activity, irrespective of whether provided from within the Council or indirectly through another organisation.

30. It is imperative that at all times when referring to equality and diversity that the Council explicitly considers each of the following characteristics protected under the Equality Act 2010:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race (including colour, nationality and ethnic or national origins)
- Religion or belief (including atheist beliefs and no religion or belief)
- Sex
- Sexual orientation (gay, lesbian, bisexual and heterosexual)

31. The Public Sector Equality Duty requires the Council, as a public sector organisation, to have due regard to equality and diversity in the carrying out of its procurement function to:

Eliminate unlawful discrimination, harassment and victimisation as set out in the Equality Act 2010, i.e. remove or minimise disadvantages suffered by people due to their protected characteristics.

Advance equality of opportunity, i.e. take steps to meet the needs of people from protected groups where these are different from the needs of other people.

Promote good relations between different groups, i.e. encourage people from protected groups to participate in public life or in other activities where their participation is disproportionately low

32. The Council is addressing this through:
- Building equality and diversity terms and conditions into standard procurement documents.
 - Providing guidance for potential and existing bidders that include demonstrating the business case for equality and diversity.
 - Assisting Council Officers in addressing equality and diversity in procurement activity including undertaking risk logs and Comprehensive Impact Assessments (CIAs), where required, that include equality and diversity at the start of the procurement process to build equality and diversity requirements into contracts where relevant to do so.
 - Monitoring contracts in respect of the undertaking of Comprehensive Impact Assessments and risk logs.
 - Monitoring compliance against equality and diversity requirements in contracts

Principles for Effective Procurement

33. The following principles will form the basis of all procurement activity in order to achieve value for money:
- Strategic procurement will support improved service delivery through the freeing up of resources and improving the quality of goods, services and works.
 - Strategic procurement will ensure that the Council obtains value for money in the acquisition and management of its resources, balancing quality and cost.
 - The Council will undertake all procurement activity within a corporate framework to enable all officers to obtain goods, services and works to the required quality in the most efficient manner.
 - All procurement activity will be sustainable, supporting and promoting Council Policies and priorities, including equal rights, sustainability, social cohesion and economic regeneration.

34. The Council will ensure that procurement activity is undertaken in the most effective and appropriate manner, considering all options including (the following is not exclusive):

- Develop, promote and enforce the use of corporate contracts.
 - use consortia (for example, ESPO and the Government Procurement Service Crown Commercial Services)
 - use approved nationally negotiated contracts (for example those arranged by East Midlands Property Alliance 'EMPA')
 - use approved e-procurement solutions for example G-Cloud
 - collaborative procurement with other Councils and organisations.

- develop strategic partnerships, particularly where these will deliver significant service improvement and / or efficiencies.

All procurement activity will be assessed on a whole life costing and benefits basis with due regard to risk.

Procurement activity will be transparent (and fully compliant with the Data Protection Act 2018, Public Contract Regulations 2015 (CPR2015) and Freedom of Information Act 2000), fair, consistent and be undertaken to the highest standards of probity and accountability. Procurement decisions must be evidence based.

35. The Council will manage procurement through its Central Procurement Team. The service will not be a central buying unit but it will be a corporate resource which leads on letting corporate contracts and supporting projects, whilst allowing departmental purchasing officers (who have best knowledge of their particular requirements) to procure within a clear corporate framework. It will provide support to departmental purchasing officers in undertaking high value/high risk procurements and monitor procurement activity across the Council. The service will comprise a small team of skilled and experienced officers, and the activity of the service will be predicated on maximising benefits for the Council overall.

36. The training and development needs of all officers buying for the Council will continue to be assessed, and the Central Procurement Team support all officers that buy for the Council to ensure that they are informed of new corporate contracts and changes in procurement legislation .

37. It is important that procurement is seen and managed as a component of the commissioning cycle, illustrated in the following diagram:



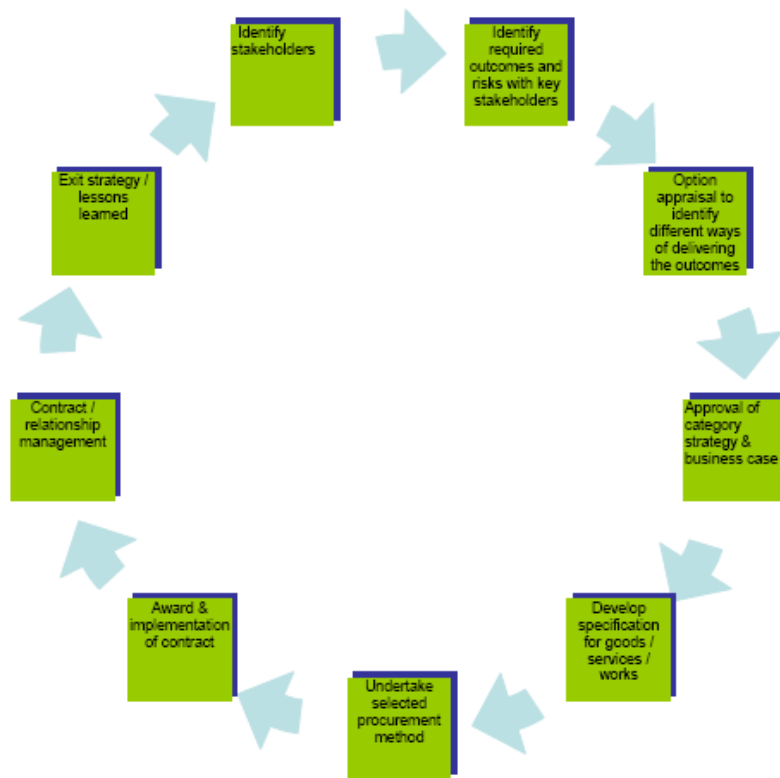
38. Strategic Framework and Corporate Objectives: - Procurement activity will operate within a strategic framework consisting of this Corporate Procurement Strategy and Contract Procedure Rules. Procurement activity must be carried out in a manner which supports the Council's strategic priorities and the

Corporate Plan. This includes contributing to a safer and more secure environment, supporting the local economy, promoting equality, putting the customer at the heart of everything it does and being open, responsive, honest and accountable to the public in its decision making.

39. Prioritise and Plan: - Strategic procurement activity will be planned over a three year cycle with annual Procurement Plans to be agreed by Cabinet. It will be undertaken in a performance management environment and will prioritise areas of activity that will generate significant savings or improved quality, and/or contribute to corporate priorities and service improvements. Localised service procurement activity will also be planned in order to avoid “panic” buying and ensure that the service optimises its supply of all necessary goods and services. Good planning will allow common areas of spend across the authority to be aggregated in order to obtain economies of scale and secure value for money.

40. Options Appraisal and Service Delivery: - Procurement decisions need to be taken such as whether it is necessary to obtain the goods, services or works, and whether they should be obtained internally or externally. Decisions also need to be made as to the most appropriate route to procure goods, services and works to ensure that the Council achieves value for money. Option appraisals will include alternative models of service delivery including shared services with other public sector organisations, outsourcing of services and collaborative opportunities.

41. Procure Solutions - The actual procurement process will depend on the required outcomes, but a typical process is illustrated in the diagram below. In all cases the process must comply with the Council’s Contract Procedure Rules.



42. Monitor and Review: - The monitoring and management of contracts is a critical factor, and can make the difference between a successful contract and a failed one. Contractual arrangements should be effectively managed and monitored throughout the contract duration. All contracts should include quality and performance standards which are monitored and reviewed by a nominated officer. Contracts will be subject to continual review and vendor appraisal exercises. Similarly, benchmarking should be undertaken on a planned basis in liaison with both public and private sector organisations to measure the effectiveness of procurement decisions. A good working relationship should be developed with all suppliers, with liaison meetings with major suppliers held at suitable intervals. Plans should be made well in advance of the expiry of a contract for re-letting it based on a review of previous and current arrangements and performance.

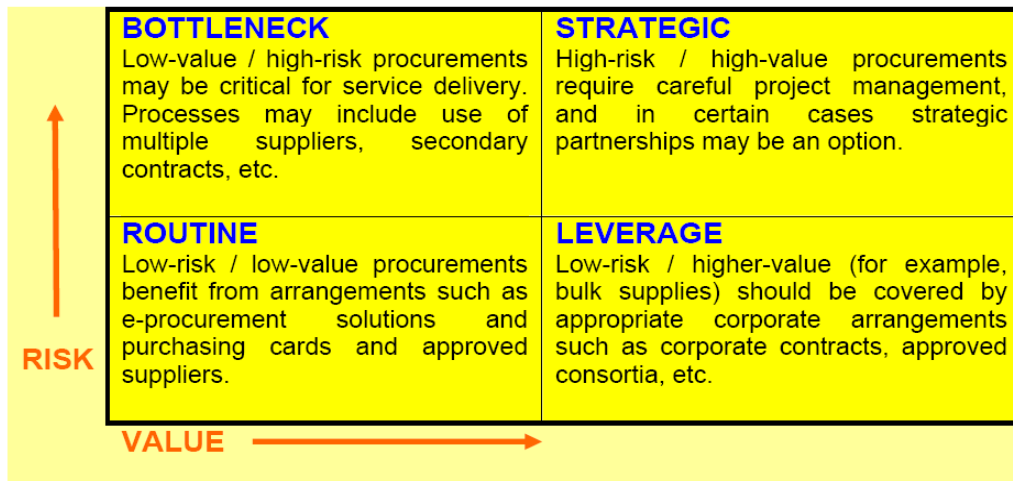
43. The Procurement Toolkit and Contract Compliance Rules should be used for guidance on all of the above stages of the procurement cycle.

44. Procurement Analysis - The choice of procurement method will be dependent on the strategic importance, the value of the goods, services or works, and the potential risk associated with each procurement option. Different procurement options will be suitable for different goods and services and will involve undertaking different practical steps to achieve the desired outcome. The Council will develop its overall management of procurement by modelling its

requirement on a risk/value matrix, illustrated below. Equally, individual procurement decisions should also be considered on their own merits following an appraisal of the suitable procurement options. It is important that the option selected is the one most likely to deliver optimum value for money for the Council and its citizens, and tenders should thus be evaluated using a balanced scorecard evaluation model.

45. The following diagram illustrates the possible procurement options available:

Diagram: Procurement Analysis



Value for Money

46. The Council remains committed to achieving Value for Money, in order to demonstrate economy, efficiency and effectiveness of service delivery. Procurement decisions such as whether to continue to provide the goods, services or works, and whether to provide them internally or externally are central to this requirement.

47. It is essential that the Council not only adopts processes to secure best value, but can evidence the efficiencies obtained and also has to the ability to radically re-think and re-shape the way the Council undertakes procurement so that continuous improvement becomes a key element of its strategy.

48. The Council is therefore:

- driven by optimising outputs and results
- driving down the cost of goods and services procured by the Council
- balancing quality and cost
- responding promptly and effectively to service and residents requirements
- minimising administrative processes and unnecessary bureaucracy
- ensuring simple or routine transactions can be carried out in the most efficient manner
- considering all options in obtaining the most appropriate solution
- valuing innovation and creativity
- using competition to obtain best value
- proactively supporting the Council's policies and priorities
- complying with legislation
- being transparent and accountable.
- working with other public sector organisations in order to achieve value for money and maximise economies of scale for routine supplies.

49. In order to demonstrate value for money, the following is built into procurement activity:

- procedures to manage contractual arrangements are established with performance measured and reported, including benchmarking arrangements.
- procurement procedures and processes are regularly reviewed.
- the management of risk is an integral part of the procurement process.
- the Council invests in procurement training and systems to support the procurement process.
- every contract must be properly managed by an identified contract manager who will possess adequate contract management skills and experience.

50. The Council has a range of in-house services and unless otherwise approved by the relevant Strategic Director (for the in-house service), external businesses will not be used where the requirement can be delivered in-house. Should the Council take a decision that an in-house service be exposed to competition, it will undertake this in an open and fair manner, and ensure that:

- staff and their representatives are fully and properly consulted
- appropriate outcomes, performance standards and monitoring processes are developed
- all information required for a due diligence process is identified and collected
- innovation is encouraged
- relevant Council policies and priorities are incorporated into any specification
- probity, accountability and competitive neutrality is ensured and conflict of interest is avoided or managed
- the responsibilities and accountabilities of all parties are explicit.

51. A key objective of this procurement strategy is to provide a means to improve quality and efficiency by harnessing competition. This can be through either:

Indirect competition - (for example, via benchmarking, market testing or external challenge). The Council will assess the competitiveness of different functions by reference to other Councils and organisations. In addition to comparing performance, this provides a vehicle for individual and organisational development, learning from experience and good practice.

Direct competition - (i.e. alternative means of procurement). The 'best value' review process will enable the Council to consider whether alternative means of procurement or service delivery is appropriate.

52. Construction - This is one of the Council's largest areas of spend and includes building and planned maintenance. Traditional approaches to construction-related procurement have tended to be adversarial and often result in overspend or project over-runs. The Council is applying appropriate principles to construction-related procurement activity through the development of partnering contracts and innovative solutions, including a strategic partnership with SCAPE/EMPA.

53. Consultants - The Council will have an ad-hoc requirement to use external consultants and advisers to provide specialist advice and services not available within the Council and to provide support and challenge for major projects. The procurement, utilisation and management of consultants (and assessment of the resulting required outcomes) should be managed in accordance with guidance issued in the Contract Procedure Rules.

Performance Management in Procurement

54. Procurement activity, like all other Council activities, should be undertaken in a performance management environment. Key issues to consider in respect of performance management include:

55. Efficiency - Ensuring that we are driving down the cost of the goods, services and works we procure without compromising quality by securing contracts which are obtained by the Most Economically Advantageous Tenders (MEAT) tendering procedures. Contracts approaching an optional extension period are an ideal opportunity to reduce costs with existing suppliers. Our contracted suppliers can often suggest ways for the Council to make savings so contract managers should be in constant dialogue with their suppliers to ensure costs are kept to a minimum.

56. Planning - Planning annual procurement activity in advance will enable officers to undertake procurement in a more structured manner, identify options and prepare properly.

57. Specifications - Where possible should include measurable outputs or outcomes, performance standards or other appropriate measures by which the contract can be assessed.

58. Contract Management - This is a major factor in the success or failure of a contract. All contracts should have a nominated officer with responsibility for monitoring and managing the contract, including the development of relationship management.

59. Risk Based Approach to Procurement - Risk will be managed throughout the procurement cycle to ensure that risks are identified and managed by the most appropriate stakeholder. Risk registers shall be prepared for all procurement processes in accordance with the Contracts Procedure Rules and will be revisited at key milestones in the procurement process and throughout the life of the contract.

60. Review - It is important that lessons are learned (what went well, what didn't go well), in order to inform future procurement decisions. Problems encountered in a project should be fed into risk analysis models for future projects.

61. Training and Development - The key to delivery of effective public sector procurement requires people who are suitably trained and qualified to provide the necessary "professional" input. This ranges from a formal procurement qualification and wide experience, to knowledge of basic procurement techniques. The level of expertise required depends on the frequency and complexity of the procurement activity in individual posts.

62. Project Management - Any project which involves significant risk including: staff transfer; significant implications across a number of service areas or significant potential for reputation or financial risk, will be managed in an appropriate manner using the Council's approved project management methodology. In addition, progress reports will be provided through the project governance structure and/or the Senior and Corporate Management Teams, as appropriate, at key milestones.

Partnerships and Partnering

63. The Council acknowledges the importance of partnerships in delivering services. It already benefits from a range of partnerships (with private, public and voluntary organisations).

64. The process of carrying out fundamental performance reviews will foster an open and constructive dialogue with all those involved or who may have something to contribute, be it from within the Council itself, or through partnership arrangements with the private and/or voluntary sectors. The Council will encourage the development of new methods or approaches to procurement that will deliver services more efficiently, effectively and economically.

65. The Council already delivers a range of services via the Voluntary and Community Sector, such as John Storer House Foundation and the Charnwood Citizens Advice Bureau. In specific instances (subject to the evidence of a robust business case), a properly procured and managed strategic service delivery partnership can deliver ways in which the Council can realistically achieve step-changes in service quality. Strategic partnering can provide access to new skills, resources and ways of doing things and allow for innovation and the pursuit of difficult or long-term goals. Partnerships can provide access to investment, skills, and new opportunities that the Council is unable to acquire alone.

66. The Council is committed to exploring all options in order to provide the quality services required for now and the future.

E-Procurement

67. E-procurement is "doing business" electronically. All purchase orders should be placed using the Council's Agresso procure-to-pay system. The benefits of e-procurement include:

- delivering savings through streamlining the internal procurement procedures and processes
- providing a framework to ease the ordering of goods, services and works whilst maintaining compliance with legislation
- improving services

68. The Council adopts a comprehensive set of e-procurement solutions that include:

The Agresso procure-to-pay solution across the Council streamlines the process from initial requisition through to the payment of the invoice. The system is fully integrated with the Council's financial system and currently over 75% of orders are placed this way.

The BiP Solutions Contract Management System an electronic tendering solution which facilitates the complete tendering process from the advertising of the requirement through to the placing of the contract. This includes the exchange of all relevant documents in electronic format.

The use of G-Cloud digital Market Place a web based procurement tool hosted by Crown Commercial Services (CCS) to find digital specialists, cloud-based services and technology for the public sector. E-auctions where appropriate. An e-auction or reverse auction allows suppliers to compete for the council's business by outbidding each other in terms of quality, price and/or other criteria. The e-auction allows this to take place 'real-time' on the internet.

69. Advancement in technology is eliminating unnecessary cost from the procurement process and releasing resources to be utilised more efficiently elsewhere. The integrated procure-to-pay process across the Council has delivered real savings and improved management information.

70. E-procurement also allows authorities to work collaboratively to achieve economies of scale and shared expertise and knowledge as demonstrated by the Leisure Centre Management Joint Procurement Contract.

71. The Council is an active partner in the East Midlands Cities and Districts Procurement Forum which identifies collaborative opportunities, aims to streamline the procurement process and further enhance the use of e-tendering.

Code of Conduct for Procurement

72. All procurement activity must be undertaken to the highest standards of ethics and probity. The Council insists on ethical standards from its suppliers, and in turn it must exhibit the highest ethical standards itself. Officers and members must not only be fair and above board in all business dealings, but should also avoid any conduct that is capable of having an adverse interpretation put on it.

73. As a condition of employment, all employees must adhere to the Officers' Code of Conduct including the requirements it contains in respect of registering interests and gifts and hospitality. Amongst other things, the Code requires employees to:

declare in writing to the Council for recording in the Register of Interests, any financial interests which could conflict with the authority's interests including any contracts with the Council in which

they or their partner have a pecuniary interest and any current or previous relationship with suppliers or potential suppliers they will be involved with as a result of their Council employment
award contracts only on merit in accordance with the Council's rules and procedures and not conduct themselves in a manner that shows favour, or suggests favour might be shown, to particular suppliers not disclose confidential information to which they have access
decline offers of hospitality and gifts (other than those of token value) from suppliers.

End

Charnwood Borough Council

Equality Impact Assessment 'Knowing the needs of your customers and employees'

Background

An Equality Impact Assessment is an improvement tool. It will assist you in ensuring that you have thought about the needs and impacts of your service/policy/function in relation to the protected characteristics. It enables a systematic approach to identifying and recording gaps and actions.

Legislation- Equality Duty

As a local authority that provides services to the public, Charnwood Borough Council has a legal responsibility to ensure that we can demonstrate having paid due regard to the need to:

- ✓ Eliminate discrimination, harassment and victimisation
- ✓ Advance Equality of Opportunity
- ✓ Foster good relations

For the following protected characteristics:

1. Age
2. Disability
3. Gender reassignment
4. Marriage and civil partnership
5. Pregnancy and maternity
6. Race
7. Religion and belief
8. Sex (Gender)
9. Sexual orientation

What is prohibited?

1. Direct Discrimination
2. Indirect Discrimination
3. Harassment
4. Victimisation
5. Discrimination by association
6. Discrimination by perception
7. Pregnancy and maternity discrimination
8. Discrimination arising from disability
9. Failing to make reasonable adjustments

Note: Complete the action plan as you go through the questions

Step 1 – Introductory information

Title of the policy	Procurement Strategy 2019-2024
Name of lead officer and others undertaking this assessment	David Howkins (Procurement Manager)
Date EIA started	September 2018
Date EIA completed	December 2018

Step 2 – Overview of policy/function being assessed:

Outline: What is the purpose of this policy? (Specify aims and objectives)
To ensure that stakeholders and suppliers are aware of the strategic aims of the authority in respect of Procuring Goods, Services and Works and to ensure that Charnwood Borough Council meets with all relevant EU regulations the Public Contract Regulations Act 2015 and the Charnwood Borough Council Contract Procedure rules.
What specific group/s is the policy designed to affect/impact and what is the intended change or outcome for them?
The aims of the Procurement Strategy is to ensure that all groups are treated equally in accordance with EU regulations Public Contract Regulations Act 2015 and the Charnwood Borough Council Contract Procedure rules.
Which groups have been consulted as part of the creation or review of the policy?
Lead Member for Finance and Property and Policy Scrutiny Group.

Step 3 – What we already know and where there are gaps

List any existing information/data do you have/monitor about different diverse groups in relation to this policy? Such as in relation to age, disability, gender reassignment, marriage and civil partnership, pregnancy & maternity, race, religion or belief, sex, sexual orientation etc.
Data/information such as: <ul style="list-style-type: none"> ▪ Consultation ▪ Previous Equality Impact Assessments ▪ Demographic information ▪ Anecdotal and other evidence
The previous Procurement Strategy has not been questioned or challenged in relation to any of the protected characteristics within the Equality Act 2010. Additionally, Charnwood Borough Council has not received challenges from suppliers for breaching EU Regulations or Public Contract Regulations Act 2015. All bidders are reminded of their Equalities obligations in Charnwood Borough Councils Request for Quotation and Tendering documents.

What does this information / data tell you about diverse groups? If you do not hold or have access to any data/information on diverse groups, what do you need to begin collating / monitoring? (Please list)
N/A

Step 4 – Do we need to seek the views of others? If so, who?

In light of the answers you have given in Step 2, do you need to consult with specific groups to identify needs / issues? If not please explain why.
Head of Finance and Property the Lead Member for Finance and Property and Policy Scrutiny Group no other bodies have been consulted the Procurement process is heavily prescribed and regulated we are not able to shape a procurement process to favour any particular group.

Step 5 – Assessing the impact

In light of any data/consultation/information and your own knowledge and awareness, please identify whether the policy has a positive or negative impact on the individuals or community groups (including what barriers these individuals or groups may face) who identify with any 'protected characteristics' and provide an explanation for your decision (please refer to the general duties on the front page).	
	Comments
Age	All age groups are treated equally.
Disability (Physical, visual, hearing, learning disabilities, mental health)	Contracts are open to all employers.
Gender Reassignment (Transgender)	There are no barriers in the procurement process to Transgender Groups.
Race	There are no barriers in the procurement process to Racial Groups.
Religion or Belief (Includes no belief)	There are no barriers in the procurement process to any religious Groups.
Sex (Gender)	There are no barriers in the procurement process to any Gender Groups.
Sexual Orientation	There are no barriers in the procurement process to any Sexual Orientation.
Other protected groups (Pregnancy & maternity, marriage & civil partnership)	There are no barriers in the procurement process to maternity or marital status.
Other socially excluded groups (carers, low literacy, priority neighbourhoods, health inequalities, rural isolation, asylum seeker and refugee communities etc.)	The Procurement process is designed to be as inclusive as possible.

Where there are potential barriers, negative impacts identified and/ or barriers or impacts are unknown, please outline how you propose to minimise all negative impact or discrimination.

Please note:

- a) If you have identified adverse impact or discrimination that is illegal, you are required to take action to remedy this immediately.
- b) Additionally, if you have identified adverse impact that is justifiable or legitimate, you will need to consider what actions can be taken to mitigate its effect on those groups of people.

All bidders in Procurement processes are reminded of their legal obligations under the Equalities act 2010 please see below.

- 1.1 Is it your organisation's policy as an employer to comply with its statutory obligations with regards to groups with Protected Characteristics under the Equalities Act 2010? **Yes/No**
Bidders who answer 'No' will fail the Legal Obligations Section.
- 1.2 Organisations that employ 5 or more staff are legally required to have a written Equalities Statement. Please confirm if you have a statement and that it is communicated within your organisation, or less than 5 staff.
- Yes I have a Statement
- Organisation has less than 5 staff
- No Statement & more than 5 staff

Please note that answering 'No statement & more than 5 staff' will result in bidders automatically failing the Legal Obligations Section.

Summarise your findings and give an overview as to whether the policy will meet Charnwood Borough Council's responsibilities in relation to equality and diversity (please refer to the general duties on the front page).

The procurement process is robust when procurement documents are used to identify the suppliers of Goods, Services and Works we can ensure that all Suppliers meet their legal obligations.

■ **Step 6- Monitoring, evaluation and review**

Are there processes in place to review the findings of this Assessment and make appropriate changes? In particular, how will you monitor potential barriers and any positive/ negative impact?

Our template documents are constantly being reviewed to incorporate any changes in legislation. Any barriers and unintended negative impact will be monitored and addressed by the Corporate Complaint System, as appropriate.

How will the recommendations of this assessment be built into wider planning and review processes? e.g. policy reviews, annual plans and use of performance management systems.

The Procurement Strategy 2019-2024 will be reviewed in 2023.

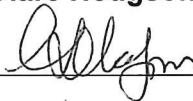
Step 7- Action Plan

Please include any identified concerns/actions/issues in this action plan: The issues identified should inform your Service Plan and, if appropriate, your Consultation Plan			
Reference Number	Action	Responsible Officer	Target Date
001	Barriers/ unintended negative impact of the Procurement Strategy to be monitored and assessed via the Corporate Complaints System.	Procurement Manager	Ongoing

Step 8- Who needs to know about the outcomes of this assessment and how will they be informed?

	Who needs to know (Please tick)	How they will be informed (we have a legal duty to publish EIA's)
Employees		
Service users		
Partners and stakeholders	✓	This EIA will append the Strategy for decision making by elected members at Cabinet. The EIA itself will then be published on the Councils webpage for openness and transparency.
Others	✓	
To ensure ease of access, what other communication needs/concerns are there?		

Step 9- Conclusion (to be completed and signed by the Service Head)

Please delete as appropriate	
I agree / disagree with this assessment / action plan	
If <i>disagree</i> , state action/s required, reasons and details of who is to carry them out with timescales:	
Signed (Service Head): Clare Hodgson 	
Date:	09/10/18

Please send completed & signed assessment to Suzanne Kinder for publishing.

CABINET – 17TH JANUARY 2019

Report of the Head of Strategic and Private Sector Housing Lead Member: Councillor Mercer

Part A

ITEM 11 COLLECTIVE SWITCHING SCHEME

Purpose of Report

To consider and approve the development of a Collective Switching Scheme in Charnwood to assist residents in the Borough to switch energy suppliers to achieve lower fuel tariffs.

Recommendation

That Cabinet approve participation in a Collective Switching Scheme and that the Council go to the market to procure a suitable provider.

Reasons

To assist residents in the Borough to switch energy suppliers to achieve lower fuel tariffs through the Collective Switching Scheme.

Policy Justification and Previous Decisions

The Policy justification is detailed in the previous approvals by Cabinet in the Housing Strategy 2015-2020, Priority 3, prioritising services to enable people to stay in their home by assisting households to switch their energy supplier to achieve lower fuel tariffs and in turn reduce fuel poverty. In addition, the Council's HECA Action Plan 2017-2019 encourages residents to consider fuel switching which may reduce fuel poverty.

Implementation Timetable including Future Decisions and Scrutiny

The Collective Switching Scheme will be included in the Council's Annual Procurement Plan in March 2019 for Cabinet approval.

Report Implications

Financial Implications

The time and resources necessary to implement a Collective Switching Scheme will be met from within existing budgets. Once implemented it is expected that such a Scheme would generate a small income stream for the Council.

Risk Management

There are no risks associated with the decision Cabinet is asked to make.

Equality and Diversity

There are no Equality and Diversity Implications for the decision Cabinet is asked to make.

Key Decision: No

Background Papers: None

Officer to contact: Alison Simmons
Head of Strategic and Private Sector Housing
01509 634780
alison.simmons@charnwood.gov.uk

Part B

Background

1. Collective Switching is where a Community Champion, such as the Council, supports residents of the Borough to switch energy suppliers and obtain lower fuel tariffs, and thereby saving them money on their energy bills.
2. The purpose of having a Community Champion is to give people the trust, confidence and support to switch, particularly when some may distrust the energy companies and are confused about the process.
3. In areas that have embarked on Collective Switching the elderly make up a large number of those who switch as they are less likely to search on line for better deals.
4. Residents on prepaid meters who can often find switching difficult can be included in the Scheme. Those customers in fuel debt are currently eligible to switch up to £500 of debt. Residents can switch one fuel (gas or electric) or dual fuel and can choose to have paper bills or to manage their accounts on line.

Collective Switching Schemes

5. Collective Switching Schemes provide the following services:
 - Induction and training for the Council's helpdesk, for example instruction templates for the offline registration route and schedule training sessions.
 - With media and marketing support.
 - An advice centre, for both residents and Council staff.
 - The Auction process.
 - The Switching function.
 - Handover management and reporting.
 - Post switch evaluations.

How Collective Switching works

6. Under a Scheme the Council, as the Community Champion would promote to residents the principle of switching energy supplier to access lower tariffs. Residents are then supported to sign up to switch over a two month period prior to each Auction.
7. Residents can register either on line or by post.
8. The Council will promote the Scheme through its website, social media, advertising and contact networks. The Council could use this opportunity to promote further messages regarding Energy Efficiency.
9. Staff resources may be required to answer telephone enquiries and to handle the process for residents who are not able to access the internet.

10. Auctions are run three times a year, in October, February and May, these include all Collective Switching Schemes from across the Country, thereby maximising numbers and making it more attractive to suppliers. A downward Auction takes place, with energy companies outbidding each other with lower tariffs.
11. Once the price is fixed residents still have a choice of whether to proceed and sign up with the new supplier or not.
12. To date the average saving for customers who have switched is £243 a year. For someone on a low income and in fuel poverty this can be a significant saving to the household's budget.
13. There will be costs and income for the Council from a Scheme for each resident who switches suppliers. Feedback from Councils who have entered into Schemes is that this is not a significant revenue raiser and often the revenue raised is put back into publicity for future phases of the Scheme or other initiatives.
14. The practicalities of delivering Collective Switching would sit within the Private Sector Housing Service. However, support would be required from across the Council to promote the Collective Switching Scheme.

Next Steps

15. Cabinet are asked to approve the recommendation for the Council to participate in a Collective Switching Scheme and go to the market to procure a suitable provider. As a result of implementing Collective Switching the Council will:
 - Enable residents to make savings on their energy bills.
 - Help to reduce to number of households in Fuel Poverty.
 - Provide an opportunity to get across to residents messages about Energy Efficiency.
16. There is no cost to the resident for either registering for the Scheme or for switching fuel suppliers.
17. Collective Switching Schemes will not charge the Council for providing their services and will pay the Council fees for each resident that does switch fuel for single fuel and for dual fuel, and therefore providing the Council with a small annual income.
18. The Council may incur some costs administrating the Scheme and will receive income, these will be identified and evaluated through the procurement process and taken into account when deciding whether to proceed to implementation. These costs may include staff resources, such as dealing with telephone enquiries and supporting those residents who are unable to register online, as well as the cost of advertising the Scheme.